

COMPREHENSIVE ANNUAL
FINANCIAL REPORT
of the
NEVADA COMMUNITY SCHOOL DISTRICT
NEVADA, IOWA

For the fiscal year ended June 30, 2015

OFFICIAL ISSUING REPORT

Brian Schaeffer District Secretary/Treasurer,
District Business Manager

OFFICE ISSUING REPORT

Business Office

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Introductory section



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December 31, 2015

Members of the Board of Education and Residents
Nevada Community School District
Nevada, Iowa

The comprehensive annual financial report (CAFR) of the Nevada Community School District (the “District”) for the fiscal year ended June 30, 2015, is submitted as follows here. The District is an independent entity governed by a five-member board. Responsibility for the accuracy and completeness of the presentation, including all disclosures, rests with the management of the District. We believe the data presented is accurate in all material respects; the data is presented to fairly set forth the financial position and results of operation of the entire District as measured by the financial activity of the various funds; and all necessary disclosures have been included in order to enable the reader to gain the maximum understanding of the District’s financial affairs. The District is not included in any other reporting entity, nor are any other entities included within this report.

This report is prepared in conformance with generally accepted accounting principles (GAAP) for governments as promulgated by the Government Accounting Standards Board (GASB). This report is consistent with the legal reporting requirements of the State of Iowa. In addition to meeting legal requirements, this report is intended to present a comprehensive summary of significant financial data to meet the needs of citizens, taxpayers, employees, financial institutions, intergovernmental agencies, creditors, and the Board of Education.

Hunt & Associates, P.C., Certified Public Accountants, have issued an unmodified (“clean”) opinion on the District’s financial statements for the year ended June 30, 2015. This firm performs the annual audit in accordance with Chapter 11 of the Code of Iowa. The independent auditor’s report is located at the front of the financial section of this report.

The comprehensive annual financial report is presented in the following four sections:

1. The **introductory section**, which is unaudited, includes this letter of transmittal, a list of the Board of Education, a list of principal District officials and an organizational chart.
2. The **financial section** includes the independent auditor’s report, Management’s Discussion and Analysis, audited basic financial statements, required supplementary information, and combining and individual fund statements and schedules.
3. The **statistical section**, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year bases.

“Preparing learners today for tomorrow”

4. The **single audit section** includes the schedules and various independent auditors' reports required by the Single Audit Amendment of 1996.

The Reporting Entity

This report includes all funds and account groups of the Nevada Community School District. The District is supported financially by state aid, property taxes, state, and federal grants for special projects, and local revenue received for tuition and other services.

The District was established in 1867 and is governed by a five-member elected Board of Education who all serve at-large four-year terms. The Board of Education is a policy-making and planning body whose decisions are carried out by school administrators. The enrollment of the District is approximately 1,573 students, the 60th largest school district in Iowa. The District operates a high school, a middle school, and an elementary school. The District provides a full range of educational services appropriate to students in early childhood and grades pre-kindergarten through twelve. These services include basic, regular and enriched academic education, special education for children with special needs, vocational education, and individualized programs such as specialized instruction for students at-risk.

Economic Condition and Outlook

The District is located in central Iowa and enjoys a favorable economic environment. Nevada is the county seat of Story County and is located close to the major Iowa cities of Ames and Des Moines, both sources of employment for citizens of the District. Nevada has an economic development council which employs a full-time director. This council has developed commercial and light industrial parks on the west and southeast sides of Nevada which has attracted many new businesses and industries.

Story County's 2014 population is estimated to be 94,073. This was an increase of 19,819 residents over the 1990 census figure. Story County's unemployment rate of 3.1% compares favorably to the state's average rate of 3.7% and the national rate of 5.3%. Overall employment in the Nevada area is strong and has been for several years.

Long-Term Financial Planning

The "solvency ratio" (Assigned and Unassigned General Fund Balance divided by Total General Fund Revenues less the AEA Flow-Through amount) used by school districts in the State of Iowa is 9.75% for the District, well above the 5% stated in the Board of Education Policy 703.3 "General Fund Financial Policies". The condition of facilities in the District is good, with both the elementary and high school facilities having undergone extensive renovations and ventilation updates (including geothermal heating and cooling systems) within the past ten years. The Middle School was constructed in 1990 and will need extensive repairs on its roof and ventilation system soon.

Superintendent Dr. Steve Gray prepared a five-year plan for the future which includes improvements to facilities and new initiatives for the education program. He compiled this information based upon a review of the District at the time and with input from the Board of Education, administration, management, teachers and classified staff. Estimated cost information for the five-year plan was included.

Major Initiatives for the Year

The Board of Education continued with improvement of school facilities during the 2014-15 school year. Work commenced on a greenhouse and agricultural/mechanical expansion to the east of the High School using uncommitted bond funds from the last High School project and local option sales tax funds.

Work also began to improve the High School football stadium complex using local option tax fund monies. The Board of Education, in January, approved replacing the scoreboard for the complex. Consideration of proposals to replace the field turf was made in April. Bids were taken in May to replace the stadium lights.

The District was one of ten Iowa districts during the year learning more about Competency-Based Education (CBE) via a State of Iowa grant. This work began with a book study, entitled "Delivering on the Promise", with the Board of Education in Spring 2014. The CBE Team in the District met with the community to provide information and gain input from stakeholders. The Team also traveled to Taylor County Schools in Kentucky to study their success of competency-based pathways for students. In January, the CBE Team reported to the Board of Education that a CBE Pathways Pilot group of ten instructors had been identified to do CBE in their classrooms.

The District was notified in January that it qualified, via an application process, for the State of Iowa Teacher Leadership & Compensation (TLC) program for the 2015-16 school year. The TLC committee then met to post job descriptions and conduct interviews for the TLC positions.

In March, Mr. Hutchinson, High School Activities Director, reported to the Board of Education that a student volunteer service program, known as "Silver Cord" would start in the 2015-16 school year. Senior students who achieved a certain number of community volunteer hours would be awarded a silver cord at graduation.

In May, the Board of Education approved a policy which encourages students to apply to be Student Board Members and attend Board of Education meetings. This program would be started in the 2015-16 school year.

Financial Information

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that its assets are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management. To monitor the adequacy of internal controls, independent auditors review internal control procedures as a part of their examination of financial records at year-end.

Budgetary Controls: The District also maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Activities of the general fund, special revenue funds, debt service fund, capital projects fund, enterprise fund and expendable trust funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by program level for all funds combined rather than at the individual fund level.

Annually, the District's Board of Education adopts a budget and approves the appropriations for the general fund, special revenue funds, capital projects fund, debt service fund, enterprise fund, and expendable trust funds in accordance with provisions outlined in the Statutes of the State of Iowa. The budgets prepared on an accrual basis list estimates of receipts and disbursements.

Financial Profile: As demonstrated by the statements and schedules included in the financial section of this report, the District is meeting its responsibility for sound financial management. One way this is accomplished is by adoption of a line-item budget by the Board of Education. This budget and the actual expenditures are then reviewed by the superintendent, business manager and Board of Education on a monthly basis.

Most District functions are financed through the governmental fund types, which include the general, special revenue, debt service and capital project funds. Please see the Management's Discussion and Analysis in the Financial Section of this report for detailed information.

Certificate of Excellence in Financial Reporting

The Association of School Business Officials (ASBO) awards the Certificate of Excellence in Financial Reporting. The Nevada Community School District received this certificate for the 15th time in 15 years for its comprehensive annual financial report for the fiscal year ending June 30, 2014, one of 16 Iowa schools to receive this award. The certificate is a prestigious national award, recognizing conformance with the highest standards for preparation of government financial reports.

In order to be eligible to receive the certificate, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR) whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

The certificate is valid for a period of one year only. We believe that our current CAFR conforms to the requirements for this award and therefore, we are submitting it to ASBO to determine its eligibility for this certificate.

Acknowledgement

The preparation of this report could not have been accomplished without the cooperation of all District departments. Thanks also to the Board of Education for providing the resources necessary to complete this report.

Respectfully submitted,



Steve Gray
Superintendent



Brian Schaeffer
Board Secretary/Treasurer/Business Manager

Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

Nevada Community School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2014*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, appearing to read "M. Pepera", written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO
President

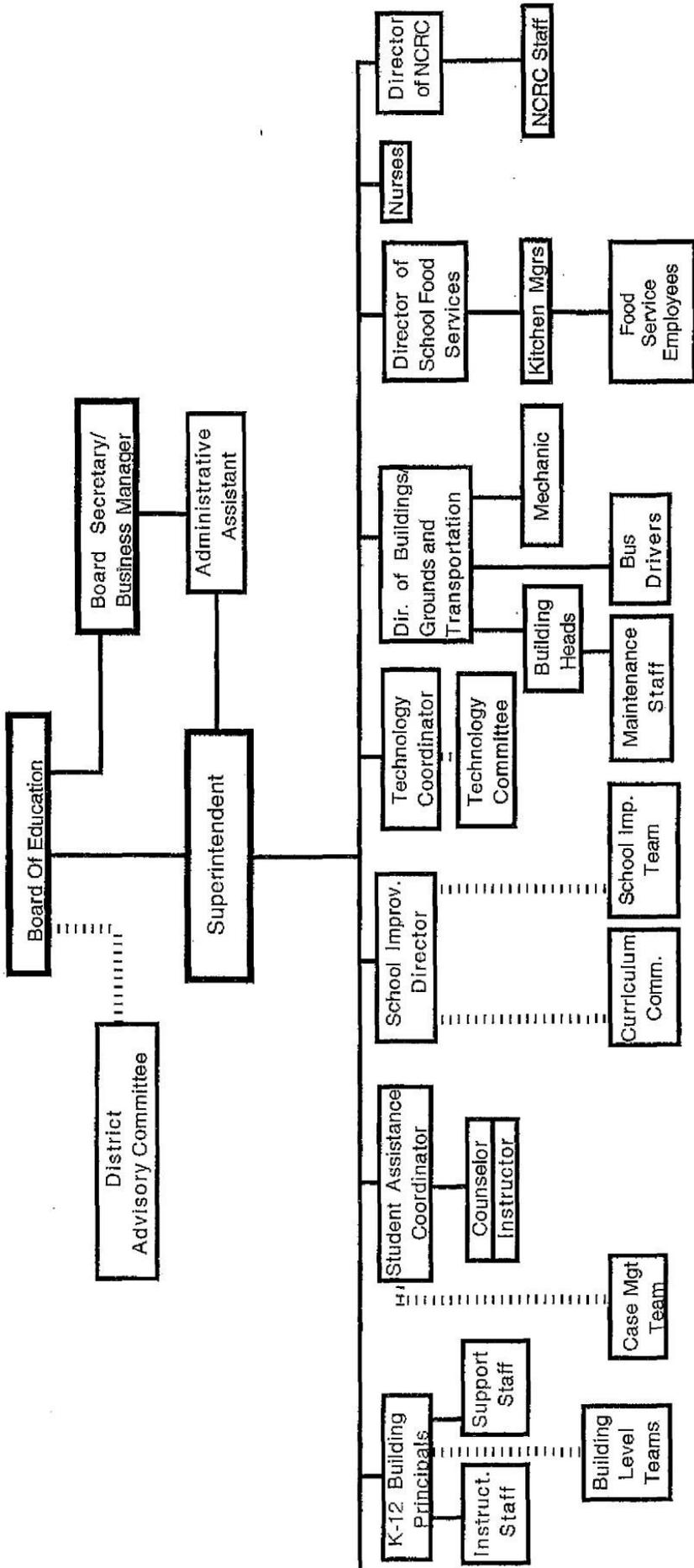
A handwritten signature in black ink, appearing to read "John D. Musso", written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director

NEVADA COMMUNITY SCHOOL DISTRICT

Nevada, Iowa

ORGANIZATIONAL PLAN



NEVADA COMMUNITY SCHOOL DISTRICT

Board of Education and School District Administration

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<u>Board of Education</u>		
Marty Chitty	President	2015
Laura West	Vice-President	2015
Tori Carsrud	Board Member	2017
Tom Maier	Board Member	2015
David Sutherland	Board Member	2017
<u>School Officials</u>		
Steve Gray	Superintendent of Schools	2015
Justin Gross	Principal, Nevada High School	2015
Christine Schmidt	Principal, Nevada Middle School	2015
Kathy Goecke	Principal, Central Elementary School	2015
Nancy Port	School Improvement Director	2015
Brian Schaeffer	Board Secretary/Treasurer & District Business Manager	2015
Joe Wakeman	Director, Technology	2015
David Kroese	Director, Maintenance & Transportation	2015
David Schmitz	Director, Food Service	2015
Andrew Bracken	Attorney	Indefinite

Financial Section

DOUGLAS T. HUNT, CPA
DONALD D. KAIN
CHUCK C. CONVERSE, CPA
RUSSELL S. TERPSTRA, CPA
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INDEPENDENT AUDITOR'S REPORT

To the Board of Education of
Nevada Community School District:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Nevada Community School District, Nevada, Iowa, as of and for the year ended June 30, 2015 and the related notes to financial statements, which collectively comprise the District's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and Chapter 11 of the Code of Iowa. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Nevada Community School District at June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in Note 18 to the financial statements, Nevada Community School District adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27. Our opinions are not modified with respect to this matter.

Other*Required Supplementary Information*

U.S. generally accepted accounting principles require Management’s Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the District’s Proportionate Share of the Net Pension Liability, the Schedule of District Contributions and the Schedule of Funding Progress for the Retiree Health Plan on pages 17 through 24 and 76 through 84 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Nevada Community School District’s basic financial statements. The supplementary information included in Schedules 1 through 5 and the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financials statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements as a whole. The accompanying introductory and statistical sections are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 28, 2015 on our consideration of Nevada Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Nevada Community School District's internal control over financial reporting and compliance.

Hunt & Associates, P.C.

Oskaloosa, Iowa
December 28, 2015

NEVADA COMMUNITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Nevada Community School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal in this report.

FINANCIAL HIGHLIGHTS

- The District's total net position for governmental activities was \$16,688,987 at June 30, 2015 compared to \$15,297,497 at June 30, 2014 (as restated), an increase of 9.1%.
- At the end of the current fiscal year, unassigned fund balance in the general fund was \$1,354,933 or 8.31% of total general fund revenues compared to the prior year's unassigned fund balance of \$1,612,155 or 10.41% of total general fund revenues.
- The District showed an increase in certified enrollment of 24 students from 1,549 in 2013 to 1,573 in 2014.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements.

The Basic Financial Statements include two types of statements that present different views of the District's finances. The first is the government-wide statements. These statements are presented on a full accrual basis of accounting and include the Statement of Net Position and the Statement of Activities. The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Assets and liabilities are classified in the order of relative liquidity for assets and due dates for liabilities. This statement provides a summary of the District's investment in assets and obligations to creditors. Liquidity and financial flexibility can be evaluated using the information contained in this statement. The Statement of Activities summarizes the District's revenues and expenses for the current year. A net (expense) revenue format is used to indicate to what extent each function is self-sufficient.

The second type of statement included in the basic financial statements is the fund financial statements, which are presented for the Board's governmental funds and proprietary fund. These statements present the governmental funds on the modified accrual basis of accounting, measuring the near term inflows and outflows of financial resources and what is available at year-end to spend in the next fiscal year. Because a different basis of accounting is used in the government-wide statements, reconciliation from the governmental fund financial statements to the government-wide statements is required. The government-wide statement provides information about the District as an economic unit while the fund financial statements provide information on the financial resources of the District's funds. The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e. earned but unused vacation leave).

Government-wide statements

The government-wide financial statements report information about the District as a whole using the accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is paid or received.

These two government-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets and deferred outflows of resources and the liabilities and deferred inflows of resources, is one way to measure the Board's financial health or position.

- Over time, an increase or decrease in the District's net position may indicate whether its financial position is improving or deteriorating.
- To assess the District's overall financial health, one needs to consider additional non-financial factors such as changes in the condition of its school buildings and other physical assets.

The District's activities are divided into two categories on the government-wide statements:

- **Governmental activities:** Most of the District's basic services are included here, such as regular and special education, transportation and administration. Local funding, as well as state and federal aid, finances most of these activities.
- **Business type activities:** The District charges fees to cover the costs of certain services it provides. School food service is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant funds and not the District as a whole. Funds are accounting devices the Board uses to keep track of specific sources of funding and spending on particular programs.

The District has three types of funds:

Governmental funds: Most of the District's basic services are included in the governmental funds, which generally focus on two things – how cash and other assets can readily be converted to cash flows in and out and the balances remaining at year-end that are available for spending. As a result of this focus, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near term to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds, in the form of a reconciliation, explains the relationship (or differences) between them.

Proprietary Fund: Services for which the District charges a fee are generally reported in the proprietary fund. The proprietary fund statements are reported on the same basis of accounting as the government-wide statements – full accrual. The District has one proprietary fund – the School Nutrition Fund.

Fiduciary funds: The District is the trustee, or fiduciary, for assets that belong to others. The fiduciary fund statements are reported on the same basis of accounting as the government-wide statements – full accrual. These funds include Private-Purpose Trust and Agency funds.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position is an indicator of the fiscal health of the District. The District's net position was \$16,853,845 at June 30, 2015 compared to \$22,988,246 at June 30, 2014 (see Table 1).

Table 1
Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total District	Total Change	
	June 30, 2014 (Not restated)	June 30, 2015 (Not restated)	June 30, 2014 (Not restated)	June 30, 2015 (Not restated)	June 30, 2014 (Not restated)	June 30, 2014-15	
Current and other assets	\$ 15,889,714	15,247,948	(103,434)	27,201	15,786,280	15,275,149	3.35%
Capital assets	33,794,227	33,772,839	504,806	498,340	34,299,033	34,271,179	0.08%
Total assets	49,683,941	49,020,787	401,372	525,541	50,085,313	49,546,328	1.09%
Deferred outflows of resources	1,311,137	-	41,755	-	1,352,892	-	100.00%
Long-term obligations	23,341,072	18,490,520	184,945	-	23,526,017	18,490,520	27.23%
Other liabilities	2,327,071	2,091,206	22,791	33,797	2,349,862	2,125,003	10.58%
Total liabilities	25,668,143	20,581,726	207,736	33,797	25,875,879	20,615,523	25.52%
Deferred inflows of resources	8,637,948	5,942,559	70,533	-	8,708,481	5,942,559	46.54%
Net position:							
Net investment in capital assets	16,986,240	16,280,078	504,806	498,340	17,491,046	16,778,418	4.25%
Restricted	4,650,933	4,394,978	-	-	4,650,933	4,394,978	5.82%
Unrestricted	(4,948,186)	1,821,446	(339,948)	(6,596)	(5,288,134)	1,814,850	-391.38%
Total net position	\$ 16,688,987	22,496,502	164,858	491,744	16,853,845	22,988,246	-26.68%

The District's total net position decreased 26.68%, or approximately \$6,134,000, from the prior year. The largest portion of the District's net position is invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position increased approximately \$255,000, or 5.82%, over the prior year. The increase was primarily a result of an increase in net position for infrastructure funds.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased approximately \$7,100,000, or 391%. This reduction in unrestricted net position was primarily a result of the District's net pension liability recorded in the current year.

Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27 was implemented during fiscal year 2015. The beginning net position as of July 1, 2014 for governmental activities and business type activities were restated by \$7,199,005 and \$196,574, respectively, to retroactively report the net pension liability as of June 30, 2013 and deferred outflows of resources related to contributions made after June 30, 2013 but prior to July 1, 2014. Fiscal year 2013 and 2014 financial statement amounts for net pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources were not restated because the information was not available. In the past, pension expense was the amount of the employer contribution. Current reporting provides a more comprehensive measure of pension expense which is more reflective of the amounts employees earned during the year.

The following table shows changes in net position for the year ended June 30, 2015 compared to June 30, 2014.

Table 2
Changes of Net Position

	Governmental Activities		Business-type Activities		Total		Total Change 2014-15
	2015	2014 (Not restated)	2015	2014 (Not restated)	2015	2014 (Not restated)	
Revenues:							
Program revenues:							
Charges for services	\$ 1,728,025	1,587,175	393,815	393,612	2,121,840	1,980,787	7.12%
Operating grants and contributions	2,531,339	2,661,300	390,345	376,625	2,921,684	3,037,925	-3.83%
Capital grants and contributions and restricted interest	-	-	38,603	434,686	38,603	434,686	-91.12%
General revenues:							
Property tax	6,052,772	5,707,782	-	-	6,052,772	5,707,782	6.04%
Income surtax	494,014	451,403	-	-	494,014	451,403	9.44%
Statewide sales, services and use tax	1,466,392	1,298,640	-	-	1,466,392	1,298,640	12.92%
Unrestricted state grants	7,666,125	7,139,410	-	-	7,666,125	7,139,410	7.38%
Other	164,742	69,239	117	188	164,859	69,427	137.46%
Total revenues	20,103,409	18,914,949	822,880	1,205,111	20,926,289	20,120,060	4.01%
Program expenses:							
Governmental activities:							
Instructional	11,291,330	10,348,540	-	-	11,291,330	10,348,540	9.11%
Support services	5,669,571	5,658,889	4,949	4,244	5,674,520	5,663,133	0.20%
Non-instructional programs	-	435,656	948,243	768,146	948,243	1,203,802	-21.23%
Other expenses	1,751,018	1,730,863	-	-	1,751,018	1,730,863	1.16%
Total expenses	18,711,919	18,173,948	953,192	772,390	19,665,111	18,946,338	3.79%
Changes in net position	1,391,490	741,001	(130,312)	432,721	1,261,178	1,173,722	7.45%
Beginning net position, as restated	15,297,497	21,755,501	295,170	59,023	15,592,667	21,814,524	-28.52%
Ending net position	\$ 16,688,987	22,496,502	164,858	491,744	16,853,845	22,988,246	-26.68%

Property tax, income surtax, local option sales and services tax and unrestricted state grants account for 77.99% of the total governmental activities revenue. The District's expenses primarily relate to instruction and support services which account for 90.64% of the total governmental activities expenses.

Governmental Activities

Revenues for governmental activities were \$20,103,409 and expenses were \$18,711,919.

The following table presents the total and net cost of the District's major governmental activities: instruction, support services, non-instructional programs and other expenses.

Table 3
Total and Net Cost of Governmental Activities

	Total Cost of Services			Net Cost of Services		
	2015	2014	Change 2014-15	2015	2014	Change 2014-15
Instruction	\$ 11,291,330	10,348,540	9.11%	\$ 7,834,258	7,065,804	10.88%
Support services	5,669,571	5,658,889	0.19%	5,522,232	5,482,417	0.73%
Non-instructional programs	-	435,656	-100.00%	-	435,656	-100.00%
Other expenses	1,751,018	1,730,863	1.16%	1,096,065	941,596	16.41%
Totals	\$ 18,711,919	18,173,948	2.96%	\$ 14,452,555	13,925,473	3.79%

- The cost financed by users of the District's programs was \$1,728,025.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$2,531,339.
- The net cost of governmental activities was financed with \$6,052,772 in property tax, \$494,014 in income surtax, \$1,466,392 in statewide sales, services and use tax, \$7,666,125 in unrestricted state grants, and \$164,742 in other income.

Business Type Activities

Revenues of the District's business type activities were \$822,880 and expenses were \$953,192. The District's business type activities include the School Nutrition Fund. Revenues of these activities were comprised of charges for services, federal and state reimbursements and investment income.

Financial Analysis of the District's Funds

At the end of the fiscal year ended June 30, 2015, the District's governmental funds reported combined ending fund balances of \$6,852,283, a decrease of \$224,697 in comparison with the prior year. This decrease was primarily the result of unexpected expenditures in the General Fund.

Governmental Fund Highlights

The District's General Fund financial position decreased to \$2,033,783 at June 30, 2015 from \$2,259,532 at June 30, 2014, representing a 9.99% decrease. This decrease was primarily a result of unexpected expenditures in the special education instruction program.

The Capital Projects fund balance decreased \$30,866 during the year. In this fund, cash assets decreased as the result of the initial expenditure of bond funds for the High School IT/Ag/Greenhouse project.

The Debt Service fund balance decreased \$38,363 due to a lower principal amount being due on the District's revenue bonds in the upcoming year.

Budgetary Highlights

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds, except its private-purpose trust and agency funds. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the GAAP basis. Over the course of the year, the District amended its annual operating budget one time to reflect additional expenditures incurred with expenditures incurred with the new scoreboard for the football complex, unexpected special education expenditures, and additional food service expenditures. A schedule showing the original and final budget amounts compared to the District's actual financial activity is included in the required supplementary information section of this report. Since the District does not adopt a budget for individual funds, budgets for individual funds are not presented in the budgetary comparison on page 76.

The District's total actual receipts were \$1,091,332 more than the total budgeted receipts, a variance of 5.54%. The most significant change resulted in the District receiving more local sources revenue than originally anticipated.

Total expenditures were more than budgeted due primarily to the District's budget for the General Fund. It is the District's practice to budget expenditures at the maximum authorized spending authority for the General Fund. The District then manages or controls General Fund spending through its line-item budget. As a result, the District's certified budget should always exceed the actual expenditures during the year.

In spite of the District's practice, expenditures in the instruction, support services, non-instructional programs, and other expenditures functional areas exceeded the certified budget.

Capital Asset and Debt Administration

Capital Assets

The District's invested in capital assets for its governmental and business type activities as of June 30, 2015, amounts to \$34,299,033 (net of accumulated depreciation). This investment in capital assets includes land, buildings, land improvements, vehicles and equipment. Detailed information regarding the District's capital assets can be found in Note 7 of the notes to the basic financial statements.

During the year ended June 30, 2015, the District began construction work on the IT/Ag/Greenhouse project which increased construction in progress. The increase in machinery and equipment for the governmental-type activities was two vehicles acquired for the transportation department and purchase of the new scoreboard for the football stadium complex.

Table 4
Capital Assets, Net of Depreciation

	Governmental		Business-type		Total		Total Change
	Activities		Activities		District		
	June 30,		June 30,		June 30,		
	2015	2014	2015	2014	2015	2014	
Land	\$ 231,244	231,244	-	-	231,244	231,244	-
Construction in progress	14,734,772	14,415,534	-	-	14,734,772	14,415,534	2.21%
Buildings	18,007,767	18,457,096	-	-	18,007,767	18,457,096	-2.43%
Land improvements	207,219	221,865	-	-	207,219	221,865	-6.60%
Machinery and equipment	613,225	447,100	504,806	498,340	1,118,031	945,440	18.26%
Total	\$ 33,794,227	33,772,839	504,806	498,340	34,299,033	34,271,179	0.08%

Long-Term Debt

At the end of June 30, 2015, the District had total long-term debt of \$23,526,017, a decrease of \$3,247,031 from the prior fiscal year. Of the total amount of long-term debt, \$1,126,490 is due within one year. Detailed information regarding the District's long-term debt can be found in Note 8 of the notes to the basic financial statements.

Table 5
Outstanding Long-Term Obligations

	Governmental		Business-type		Total		Total Change
	Activities		Activities		District		
	June 30,		June 30,		June 30,		
	2015	2014 (As restated)	2015	2014 (As restated)	2015	2014 (As restated)	
General Obligation Bonds	\$ 7,755,000	8,330,000	-	-	7,755,000	8,330,000	-6.90%
Revenue Bonds	9,345,000	9,815,000	-	-	9,345,000	9,815,000	-4.79%
Early Retirement	126,702	116,354	-	-	126,702	116,354	8.89%
Compensated Absences	36,163	31,932	-	-	36,163	31,932	13.25%
Net Pension Liability	5,807,351	8,062,379	184,945	220,149	5,992,296	8,282,528	-27.65%
Net OPEB Liability	270,856	197,234	-	-	270,856	197,234	37.33%
Total	\$ 23,341,072	26,552,899	184,945	220,149	23,526,017	26,773,048	-12.13%

Economic Factors and Next Year's Budgets and Rates

- The 2014 State Legislature set the rate of increase for supplemental aid for state aid and property taxes for schools for the 2014-15 school year at 4%. Furthermore, the Legislature set the rate of increase for supplemental aid for the 2015-16 school year at 1.25%. An additional \$53 million was appropriated for schools at the end of the 2015 Legislative Session but was vetoed by the governor. The District would have received \$175,381 from the vetoed appropriation. There has been no decision as to the increase for supplemental aid for 2016-17. What happens in the future with supplement aid for state aid and property taxes will have an impact on the District's General Fund budget.

- District enrollment increased in fiscal year 2015 by 24 students, 1.55% of the enrollment of 1,549 in fiscal year 2014. District funding is highly dependent upon District enrollments. Future enrollment stability is a critical element in maintaining a sound financial foundation. The Board of Education and administration of the District believe that the commitment to improving facilities will be an attraction to future enrollment growth.
- The District has a one-year contract with the Nevada Community Education Association (NCEA) which included an overall increase in salary and benefits for certified teaching staff of 3.99% for fiscal year 2015. Staff represented by NCEA make up \$7.9 million in wages and benefits or 60% of all General Fund expenditures. Settlements with employee groups that exceed the rate of growth in state funding will have an adverse impact upon the District's General Fund budget.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional information, contact the District's Business Office.

Basic Financial Statements

NEVADA COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION

June 30, 2015

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and pooled investments	\$ 8,141,316	\$ 3,153	\$ 8,144,469
Receivables:			
Property tax:			
Delinquent	29,519	-	29,519
Succeeding year	6,423,192	-	6,423,192
Income surtax	445,006	-	445,006
Accounts	1,708	19,593	21,301
Due from other governments	605,795	7,057	612,852
Internal balances	145,300	(145,300)	-
Prepaid expenses	97,878	-	97,878
Inventories	-	12,063	12,063
Capital assets not being depreciated:			
Land	231,244	-	231,244
Construction in progress	14,734,772	-	14,734,772
Capital assets being depreciated, net of accumulated depreciation:			
Buildings	18,007,767	-	18,007,767
Land improvements	207,219	-	207,219
Machinery and equipment	613,225	504,806	1,118,031
Total assets	<u>49,683,941</u>	<u>401,372</u>	<u>50,085,313</u>
Deferred Outflows of Resources			
Pension related deferred outflows	<u>1,311,137</u>	<u>41,755</u>	<u>1,352,892</u>

NEVADA COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION

June 30, 2015

	Governmental Activities	Business-type Activities	Total
Liabilities			
Accounts payable	255,520	2,265	257,785
Due to other governments	285,516	-	285,516
Salaries and benefits payable	1,519,005	5,071	1,524,076
Deposits payable	4,290	-	4,290
Advances from grantors	751	-	751
Early retirement payable	20,029	-	20,029
Interest payable	241,960	-	241,960
Unearned revenue	-	15,455	15,455
Long-term liabilities:			
Portion due within one year:			
Bonds payable	590,000	-	590,000
Revenue bonds payable	430,000	-	430,000
Early retirement payable	70,327	-	70,327
Compensated absences payable	36,163	-	36,163
Portion due after one year:			
Bonds payable	7,165,000	-	7,165,000
Revenue bonds payable	8,915,000	-	8,915,000
Early retirement payable	56,375	-	56,375
Net pension liability	5,807,351	184,945	5,992,296
Net OPEB liability	270,856	-	270,856
Total liabilities	<u>25,668,143</u>	<u>207,736</u>	<u>25,875,879</u>
Deferred Inflows of Resources			
Succeeding year property tax	6,423,192	-	6,423,192
Pension related deferred inflows	2,214,756	70,533	2,285,289
Total deferred inflows of resources	<u>8,637,948</u>	<u>70,533</u>	<u>8,708,481</u>

NEVADA COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION

June 30, 2015

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Net Position			
Net investment in capital assets	16,986,240	504,806	17,491,046
Restricted for:			
Categorical funding	379,972	-	379,972
Debt service	1,544,770	-	1,544,770
School infrastructure	2,159,615	-	2,159,615
Physical plant and equipment levy	380,166	-	380,166
Student activities	186,410	-	186,410
Unrestricted	<u>(4,948,186)</u>	<u>(339,948)</u>	<u>(5,288,134)</u>
Total net position	<u>\$ 16,688,987</u>	<u>\$ 164,858</u>	<u>\$ 16,853,845</u>

See notes to the basic financial statements.

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NEVADA COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Instruction:				
Regular instruction	\$ 6,709,784	\$ 734,622	\$ 1,162,127	\$ -
Special instruction	2,163,132	430,848	76,554	-
Other instruction	2,418,414	474,852	578,069	-
	<u>11,291,330</u>	<u>1,640,322</u>	<u>1,816,750</u>	<u>-</u>
Support services:				
Student services	989,300	1,759	50,888	-
Instructional staff services	927,240	46,898	6,092	-
Administration services	1,654,129	-	-	-
Operation and maintenance of plant services	1,569,297	3,215	-	-
Transportation services	529,605	35,831	2,656	-
	<u>5,669,571</u>	<u>87,703</u>	<u>59,636</u>	<u>-</u>
Other expenses:				
Facilities acquisition	-	-	49,475	-
Long-term debt interest and fiscal charges	670,085	-	-	-
AEA flowthrough	605,478	-	605,478	-
Depreciation (unallocated) *	475,455	-	-	-
	<u>1,751,018</u>	<u>-</u>	<u>654,953</u>	<u>-</u>
Total governmental activities	<u>18,711,919</u>	<u>1,728,025</u>	<u>2,531,339</u>	<u>-</u>

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (4,813,035)	\$ -	\$ (4,813,035)
(1,655,730)	-	(1,655,730)
(1,365,493)	-	(1,365,493)
<u>(7,834,258)</u>	<u>-</u>	<u>(7,834,258)</u>
(936,653)	-	(936,653)
(874,250)	-	(874,250)
(1,654,129)	-	(1,654,129)
(1,566,082)	-	(1,566,082)
(491,118)	-	(491,118)
<u>(5,522,232)</u>	<u>-</u>	<u>(5,522,232)</u>
49,475	-	49,475
(670,085)	-	(670,085)
-	-	-
(475,455)	-	(475,455)
<u>(1,096,065)</u>	<u>-</u>	<u>(1,096,065)</u>
<u>(14,452,555)</u>	<u>-</u>	<u>(14,452,555)</u>

NEVADA COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Business-Type Activities:				
Support services:				
Operation and maintenance of plant services	\$ 4,949	\$ -	\$ -	\$ -
Non-instructional programs:				
Food service operations	948,243	393,815	390,345	38,603
Total business-type activities	953,192	393,815	390,345	38,603
Total	\$ 19,665,111	\$ 2,121,840	\$ 2,921,684	\$ 38,603

General revenues:

Property tax levied for:
 General purposes
 Debt service
 Capital outlay
Income surtax
Statewide sales, services, and use tax
Unrestricted state grants
Unrestricted investment earnings
Other

Total general revenues

Change in net position

Net position beginning of year, as restated

Net position end of year

* = This amount excludes the depreciation included
in the direct expenses of the various programs.

See notes to the basic financial statements.

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ -	\$ (4,949)	\$ (4,949)
-	(125,480)	(125,480)
-	(130,429)	(130,429)
(14,452,555)	(130,429)	(14,582,984)
\$ 4,830,959	\$ -	\$ 4,830,959
810,088	-	810,088
411,725	-	411,725
494,014	-	494,014
1,466,392	-	1,466,392
7,666,125	-	7,666,125
25,359	117	25,476
139,383	-	139,383
15,844,045	117	15,844,162
1,391,490	(130,312)	1,261,178
15,297,497	295,170	15,592,667
\$ 16,688,987	\$ 164,858	\$ 16,853,845

NEVADA COMMUNITY SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Nonmajor</u>	<u>Total</u>
Assets					
Cash and pooled investments	\$ 3,374,431	\$ 2,742,941	\$ 1,783,101	\$ 240,843	\$ 8,141,316
Receivables:					
Property tax:					
Delinquent	22,260	1,844	3,629	1,786	29,519
Succeeding year	4,801,995	441,991	793,073	386,133	6,423,192
Income surtax	445,006	-	-	-	445,006
Accounts	471	-	-	1,237	1,708
Interfund	146,927	-	-	-	146,927
Due from other governments	378,122	227,673	-	-	605,795
Prepaid expenses	97,878	-	-	-	97,878
	<hr/>				
Total assets	<u>\$ 9,267,090</u>	<u>\$ 3,414,449</u>	<u>\$ 2,579,803</u>	<u>\$ 629,999</u>	<u>\$ 15,891,341</u>

NEVADA COMMUNITY SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Nonmajor</u>	<u>Total</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 94,275	\$ 140,664	\$ -	\$ 20,581	\$ 255,520
Due to other governments	283,829	-	-	1,687	285,516
Salaries and benefits payable	1,519,005	-	-	-	1,519,005
Interfund payable	34	-	-	1,593	1,627
Deposits payable	4,290	-	-	-	4,290
Advances from grantors	751	-	-	-	751
Early retirement payable	-	-	-	20,029	20,029
Total liabilities	<u>1,902,184</u>	<u>140,664</u>	<u>-</u>	<u>43,890</u>	<u>2,086,738</u>
Deferred inflows of resources:					
Succeeding year property tax	4,801,995	441,991	793,073	386,133	6,423,192
Income surtax	445,006	-	-	-	445,006
Other	84,122	-	-	-	84,122
Total deferred inflows of resources	<u>5,331,123</u>	<u>441,991</u>	<u>793,073</u>	<u>386,133</u>	<u>6,952,320</u>
Fund balances:					
Nonspendable:					
Prepaid expenses	97,878	-	-	-	97,878
Restricted for:					
Categorical funding	379,972	-	-	-	379,972
School infrastructure	-	2,451,628	-	-	2,451,628
Physical plant and equipment	-	380,166	-	-	380,166
Debt service	-	-	1,786,730	-	1,786,730
Management levy purposes	-	-	-	13,566	13,566
Student activities	-	-	-	186,410	186,410
Committed for wind turbine maintenance	26,962	-	-	-	26,962
Assigned for activity based accounts	174,038	-	-	-	174,038
Unassigned	1,354,933	-	-	-	1,354,933
Total fund balances	<u>2,033,783</u>	<u>2,831,794</u>	<u>1,786,730</u>	<u>199,976</u>	<u>6,852,283</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,267,090</u>	<u>\$ 3,414,449</u>	<u>\$ 2,579,803</u>	<u>\$ 629,999</u>	<u>\$ 15,891,341</u>

See notes to the basic financial statements.

NEVADA COMMUNITY SCHOOL DISTRICT
 RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET POSITION
 June 30, 2015

Total fund balances of governmental funds		\$	6,852,283
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.			33,794,227
Accrued interest payable on long-term liabilities is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.			(241,960)
Income surtax receivable and other receivables not collected within sixty days after year end are not yet available to finance expenditures of the current period and, therefore, are recognized as deferred inflows of resources in the governmental funds.			529,128
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:			
	Deferred outflows of resources	\$	1,311,137
	Deferred inflows of resources		<u>(2,214,756)</u>
			(903,619)
Long-term liabilities, including bonds payable, early retirement, compensated absences, net pension liability, and net OPEB liability, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.			<u>(23,341,072)</u>
Net position of governmental activities		\$	<u><u>16,688,987</u></u>
See notes to the basic financial statements.			

NEVADA COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2015

	General	Capital Projects	Debt Service	Nonmajor	Total
Revenues:					
Local sources:					
Local tax	\$ 4,848,482	\$ 406,006	\$ 798,833	\$ 351,833	\$ 6,405,154
Tuition	780,934	-	-	-	780,934
Other	283,492	138,681	12,073	470,012	904,258
State sources	9,751,169	1,472,111	11,254	5,391	11,239,925
Federal sources	623,954	-	-	-	623,954
Total revenues	<u>16,288,031</u>	<u>2,016,798</u>	<u>822,160</u>	<u>827,236</u>	<u>19,954,225</u>
Expenditures:					
Current:					
Instruction	10,926,227	204,365	-	544,191	11,674,783
Support services:					
Student services	1,022,009	-	-	-	1,022,009
Instructional staff services	700,651	236,953	-	-	937,604
Administration services	1,672,030	-	2,500	20,477	1,695,007
Operation and maintenance of plant services	1,153,241	35,754	-	174,906	1,363,901
Transportation services	444,303	37,827	-	17,381	499,511
	<u>4,992,234</u>	<u>310,534</u>	<u>2,500</u>	<u>212,764</u>	<u>5,518,032</u>
Other expenditures:					
Facilities acquisition	-	664,763	-	-	664,763
Long term debt:					
Principal	-	-	1,045,000	-	1,045,000
Interest and fiscal charges	-	-	681,025	-	681,025
AEA flowthrough	605,478	-	-	-	605,478
	<u>605,478</u>	<u>664,763</u>	<u>1,726,025</u>	<u>-</u>	<u>2,996,266</u>
Total expenditures	<u>16,523,939</u>	<u>1,179,662</u>	<u>1,728,525</u>	<u>756,955</u>	<u>20,189,081</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(235,908)</u>	<u>837,136</u>	<u>(906,365)</u>	<u>70,281</u>	<u>(234,856)</u>

NEVADA COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2015

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Nonmajor</u>	<u>Total</u>
Other financing sources (uses):					
Sale of equipment	\$ 10,159	\$ -	\$ -	\$ -	\$ 10,159
Transfers in	-	-	868,002	-	868,002
Transfers out	-	(868,002)	-	-	(868,002)
Total other financing sources (uses)	<u>10,159</u>	<u>(868,002)</u>	<u>868,002</u>	<u>-</u>	<u>10,159</u>
Net change in fund balances	(225,749)	(30,866)	(38,363)	70,281	(224,697)
Fund balances beginning of year	<u>2,259,532</u>	<u>2,862,660</u>	<u>1,825,093</u>	<u>129,695</u>	<u>7,076,980</u>
Fund balances end of year	<u>\$ 2,033,783</u>	<u>\$ 2,831,794</u>	<u>\$ 1,786,730</u>	<u>\$ 199,976</u>	<u>\$ 6,852,283</u>

See notes to the basic financial statements.

NEVADA COMMUNITY SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2015

Net change in fund balances - total governmental funds \$ (224,697)

Amounts reported for governmental activities in the Statement of Activities
are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are not reported in the Statement of Net Position and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. The amounts of capital outlays and depreciation expense in the year are as follows:

	Capital outlays	\$ 584,296	
	Depreciation expense	<u>(562,908)</u>	21,388

Income surtax receivable and other receivables not collected within sixty days of year end are not available to finance expenditures of the current period and are recognized as deferred inflows of resources in the governmental funds. 139,025

Repayment of long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position. 1,045,000

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. 10,940

The current year District employer share of IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflow of resources in the Statement of Net Position. 49,908

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:

	Early retirement	(10,348)	
	Compensated absences	(4,231)	
	Pension expense	438,127	
	Net OPEB liability	<u>(73,622)</u>	<u>349,926</u>

Change in net position of governmental activities \$ 1,391,490

See notes to the basic financial statements.

NEVADA COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION
PROPRIETARY FUND

June 30, 2015

	<u>School Nutrition</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 3,153
Accounts receivable	19,593
Interfund receivable	34
Due from other governments	7,057
Inventories	12,063
Total current assets	<u>41,900</u>
Non-current assets:	
Capital assets:	
Machinery and equipment, net of accumulated depreciation	<u>504,806</u>
Total assets	<u>546,706</u>
Deferred Outflows of Resources	
Pension related deferred outflows	<u>41,755</u>

NEVADA COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION
PROPRIETARY FUND

June 30, 2015

	<u>School Nutrition</u>
Liabilities	
Current liabilities:	
Accounts payable	2,265
Salaries and benefits payable	5,071
Interfund payable	145,334
Unearned revenue	15,455
Total current liabilities	<u>168,125</u>
Non-current liabilities:	
Net pension liability	<u>184,945</u>
Total liabilities	<u>353,070</u>
Deferred Inflows of Resources	
Pension related deferred inflows	<u>70,533</u>
Net Position	
Net investment in capital assets	504,806
Unrestricted	<u>(339,948)</u>
Total net position	<u>\$ 164,858</u>

See notes to the basic financial statements.

NEVADA COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
Year Ended June 30, 2015

	<u>School Nutrition</u>
Operating revenues:	
Local sources:	
Charges for services	\$ <u>393,815</u>
Operating expenses:	
Support services:	
Operation and maintenance of plant services:	
Supplies	<u>4,949</u>
Non-instructional programs:	
Food service operations:	
Salaries	324,463
Benefits	91,351
Purchased services	10,014
Supplies	485,876
Depreciation	33,295
Other	<u>3,244</u>
Total non-instructional programs	<u>948,243</u>
Total operating expenses	<u>953,192</u>
Operating loss	(559,377)
Non-operating revenues:	
Interest on investments	117
Capital contributions	38,603
State sources	6,245
Federal sources	<u>384,100</u>
Total non-operating revenues	<u>429,065</u>
Change in net position	(130,312)
Net position beginning of year, as restated	<u>295,170</u>
Net position end of year	\$ <u><u>164,858</u></u>

See notes to the basic financial statements.

NEVADA COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended June 30, 2015

	<u>School Nutrition</u>
Cash flows from operating activities:	
Cash received from sale of lunches and breakfasts	\$ 377,114
Cash received from miscellaneous operating activities	10,195
Cash payments to employees for services	(338,816)
Cash payments to suppliers for goods or services	<u>(452,739)</u>
Net cash used by operating activities	<u>(404,246)</u>
Cash flows from non-capital financing activities:	
State grants received	6,245
Federal grants received	<u>333,183</u>
Net cash provided by non-capital financing activities	<u>339,428</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>(1,158)</u>
Cash flows from investing activities:	
Interest on investments	<u>117</u>
Net decrease in cash and cash equivalents	(65,859)
Cash and cash equivalents beginning of year	<u>69,012</u>
Cash and cash equivalents end of year	\$ <u><u>3,153</u></u>

NEVADA COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended June 30, 2015

	<u>School Nutrition</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (559,377)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	33,295
Commodities used	57,563
(Increase) in accounts receivable	(9,672)
(Increase) in inventories	(1,782)
(Increase) in interfund receivable	(34)
(Decrease) in accounts payable	(4,119)
(Decrease) in salaries and benefits payable	(10,087)
Increase in interfund payable	69,618
Increase in unearned revenue	3,200
(Decrease) in net pension liability	(35,204)
(Increase) in deferred outflows of resources	(18,180)
Increase in deferred inflows of resources	<u>70,533</u>
Net cash used by operating activities	<u>\$ (404,246)</u>

Non-cash investing, capital and financing activities:

During the year ended June 30, 2015, the District received \$57,563 of federal commodities. In addition, the Enterprise, School Nutrition Fund received \$38,603 of equipment which was purchased and contributed by the Capital Projects: Building Project Fund.

See notes to the basic financial statements.

NEVADA COMMUNITY SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2015

	<u>Private Purpose Trust Scholarship</u>	<u>Agency</u>
Assets:		
Cash and pooled investments	\$ 44,057	\$ 23,530
Accounts receivable	<u> -</u>	<u> 268</u>
Total assets	<u>44,057</u>	<u>23,798</u>
Liabilities:		
Accounts payable	3,729	-
Due to other groups	<u> -</u>	<u>23,798</u>
Total liabilities	<u>3,729</u>	<u>23,798</u>
Net position:		
Held in trust for other purposes	<u>\$ 40,328</u>	<u>\$ -</u>

See notes to the basic financial statements.

NEVADA COMMUNITY SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended June 30, 2015

	Private Purpose Trust <u>Scholarship</u>
Additions:	
Local sources:	
Gifts and contributions	\$ <u>35,306</u>
Deductions:	
Instructional:	
Supplies	5,800
Scholarships awarded	10,650
Student services:	
Supplies	<u>3,255</u>
Total deductions	<u>19,705</u>
Change in net position	15,601
Net position beginning of year	<u>24,727</u>
Net position end of year	\$ <u><u>40,328</u></u>

See notes to the basic financial statements.

NEVADA COMMUNITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2015

Note 1. Summary of Significant Accounting Policies

The Nevada Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve and special education pre-kindergarten. The geographic area served includes the City of Nevada, Iowa, and portions of the agricultural territory in Story County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

The District's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Nevada Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on, the District. Nevada Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations – The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Story County Assessor's Conference Board.

B. Basis of Presentation

Government-wide Financial Statements – The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for service.

The Statement of Net Position presents the District's nonfiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt attributable to the acquisition, construction, or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

NEVADA COMMUNITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2015

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

Unrestricted net position consists of net position that does not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources that are imposed by management, but can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements – Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The District reports the following major governmental funds:

The General Fund is the main operating fund of the District. All general tax revenues and other revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, including instructional, support and other costs.

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities.

The Debt Service Fund is used to account for the payment of interest and principal on the District's long-term debt.

The District also reports the following major proprietary fund:

The Enterprise, School Nutrition Fund is used to account for the food service operations of the District.

The District also reports the following fiduciary funds:

The Private Purpose Trust Fund is used to account for assets held by the District under trust agreements which require income earned to be used to benefit individuals through scholarship awards.

The Agency Fund is used to account for assets held by the District as an agent for individuals, private organizations and other governments. The Agency Fund is custodial in nature, assets equal liabilities, and does not involve measurement of results of operations.

NEVADA COMMUNITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2015

Note 1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting

The government-wide financial statements and the proprietary and fiduciary fund financial statements, except for agency funds, are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied. Agency funds do not have a measurement focus due to their custodial nature.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund is charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District maintains its financial records on the accrual basis.

NEVADA COMMUNITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2015

Note 1. Summary of Significant Accounting Policies (continued)

D. Cash, Pooled Investments and Cash Equivalents

The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for the investment in the Iowa Schools Joint Investment Trust, which is valued at amortized cost, and non-negotiable certificates of deposit, which are stated at cost.

For purposes of the Statement of Cash Flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and, at the day of purchase, have a maturity date no longer than three months.

E. Property Taxes

Property tax in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the Board of Education. Current year delinquent property tax receivable represents unpaid taxes from the current year. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget to the County Auditor by April 15 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred and will not be recognized as revenue until the year for which it is levied.

The property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1 ½% per month penalty for delinquent payments; is based on January 1, 2013 assessed property valuations; is for the tax accrual period July 1, 2014 through June 30, 2015 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2014.

F. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. To the extent that certain transfers between funds had not been received as of June 30, 2015, balances of interfund amounts receivable or payable have been recorded. Any balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

G. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both government-wide and fund financial statements on the consumption method.

NEVADA COMMUNITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2015

Note 1. Summary of Significant Accounting Policies (continued)

H. Inventories

The Enterprise Fund inventories are accounted for using the consumption method by which inventory acquisitions are recorded in inventory accounts when purchased or received by other means and are charged to operations when consumed or sold. The Enterprise Fund inventory consists primarily of food, with purchased food recorded at the lower of cost (first-in, first-out method) or market and food commodities which were received from the federal government recorded at the contributed value as of the date received.

I. Capital Assets

Capital assets, which include property, machinery, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide Statement of Net Position. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of one year.

Asset Class	Amount
Land	\$ 5,000
Buildings	5,000
Land improvements	5,000
Intangibles	5,000
Machinery and equipment:	
School Nutrition Fund equipment	500
Other machinery and equipment	5,000

Capital assets are depreciated using the straight line method of depreciation over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings	20-50 years
Land improvements	20 years
Intangibles	5-20 years
Machinery and equipment	5-20 years

NEVADA COMMUNITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2015

Note 1. Summary of Significant Accounting Policies (continued)

J. Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the employer's reporting period.

K. Salaries and Benefits Payable

Payroll and related expenses for teachers with annual contracts corresponding to the school year, which have balances payable in July and August 2015, have been accrued as a liability as it is applicable to the fiscal year ended June 30, 2015.

L. Advances from grantors

Grant proceeds which have been received by the District but will be spent in a succeeding fiscal year have been accrued as liabilities.

M. Unearned Revenues

Unearned revenues are monies collected for meals that have not yet been served. The meal account balances will either be reimbursed or served meals. The meal account balances are reflected on the Statement of Net Position in the Proprietary, School Nutrition Fund.

N. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Position.

O. Compensated Absences

District employees accumulate a limited amount of earned but unused vacation benefits payable to employees. Compensated absences are reported in governmental funds only if they have matured. The cost of vacation payments expected to be liquidated currently is recorded as a long-term liability on the Statement of Net Position and will be paid in the future out of the General Fund. There are currently four members of the District's Management Team who are paid out for their unused vacation days at their daily pay rate. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2015. The full balance is shown as due within a year using first-in, first-out basis.

NEVADA COMMUNITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2015

Note 1. Summary of Significant Accounting Policies (continued)

P. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Q. Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of property tax receivable and other receivables not collected within sixty days after year end.

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax receivables that will not be recognized until the year for which it is levied and the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

R. Fund Equity

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts which cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts which can be used only for specific purposes determined pursuant to constraints formally imposed by the Board of Education through resolution approved prior to year end. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned – Amounts the Board of Education intends to use for specific purposes.

NEVADA COMMUNITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2015

Note 1. Summary of Significant Accounting Policies (continued)

R. Fund Equity (continued)

Unassigned – All amounts not included in other classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Deficit amounts of other governmental funds would also be reported as unassigned.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications within the same fund, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

Note 2. Budgets and Budgetary Accounting

In accordance with the Code of Iowa, the District's Board of Education annually adopts a single district wide budget and approves the related appropriations following required public notice and hearing for all funds. The budgets and related appropriations as well as the financial statements are prepared on the modified accrual basis or accrual basis of accounting. The budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund. These four functions are instruction, support services, non-instructional programs and other expenditures. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula.

The Board of Education follows these procedures in establishing budgetary data reflected in the financial statements:

1. In accordance with the Statutes of the State of Iowa, prior to February 15, the Board Secretary submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures or expenses and the means of financing them for the upcoming year, along with estimates for the current year and actual data for the preceding years. This budget is submitted in summary form, with an administrative control. The legal level of control for the detailed budget is at the function level.
2. Public hearings are required to be conducted to obtain taxpayer comment.
3. Prior to April 15, the budget is legally enacted through certification from the County Auditor.
4. Management is authorized to transfer budgeted amounts between departments within any function, however, any revisions that alter the total expenditures or expenses of any function must be approved by the Board of Education.
5. The Board of Education may amend the budget during the year by holding public hearings and certifying the amendment with the County Auditor.

NEVADA COMMUNITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2015

Note 2. Budgets and Budgetary Accounting (continued)

- 6. Encumbrances are not recognized in the budgetary process and appropriations lapse at the end of each fiscal year.
- 7. The budget cannot be amended without the approval of the Board of Education.
- 8. Unexpended budgetary balances lapse at June 30 and are not available to finance expenditures or expenses of the following year.

Note 3. Deposits and Pooled Investments

The District's deposits in banks at June 30, 2015 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

At June 30, 2015, the District had investments in the Iowa Schools Joint Investment Trust as follows:

Type	Amortized Cost
Diversified Portfolio	\$ <u>6,941</u>

The investments are valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940. There is no material difference from fair value.

Interest Rate Risk – The District's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the District and must also conform to any loan covenant investment maturity restrictions. The maturity of the District's position in an external investment pool is based on the average maturity of the pool's investments.

Credit Risk – The investments in the Iowa Schools Joint Investment Trust (ISJIT) were rated AAAM by Standard and Poor's Financial Services. ISJIT is sponsored by the Iowa Association of School Boards (IASB), governed by a representative board of trustees and served by a dedicated team of professionals.

NEVADA COMMUNITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2015

Note 3. Deposits and Pooled Investments (continued)

Custodial Credit Risk (deposits) – In the case of deposits, this is the risk that in the event of a bank failure, the District’s deposits may not be returned to the District. The District does not have a policy for custodial credit risk of deposits. As of June 30, 2015, the carrying amount of the District’s bank deposits totaled \$8,226,929. Of the bank balances, \$1,000,000 was covered by federal depository insurance and \$7,226,929 was uninsured and collateralized with securities held by the pledging financial institution or its agent but not in the District’s name. These amounts are included in the cash and pooled investments on the combined balance sheet.

Custodial Credit Risk (investments) – For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District’s policy relating to custodial credit risk of investments is to allow the treasurer to invest funds in excess of current needs in depositories authorized by the Board. The amount that can be held by counterparties is established annually by the Board. As of June 30, 2015, the carrying amount of the District’s investments totaled \$6,941. The entire amount is exposed to custodial credit risk because the related securities are uninsured, unregistered and held by the District’s investment firm which is also the counterparty for the securities held.

The District does not have a policy regarding concentration risk.

Note 4. Transfers

The detail of transfers for the year ended June 30, 2015 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Debt Service	Capital Projects: Statewide Sales, Services and Use Tax	\$ <u>868,002</u>

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

The Capital Projects: Statewide Sales, Services and Use Tax Fund is transferring money to finance revenue bond payments made from the Debt Service Fund.

NEVADA COMMUNITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2015

Note 5. Interfund Receivables and Payables

At June 30, 2015, interfund receivables and payables consisted of the following:

Receivable Fund	Payable Fund	Amount
Interfund balances between governmental funds:		
Other receivables:		
General	Special Revenue: Student Activity	\$ <u>1,593</u>
Interfund balances between governmental and proprietary funds:		
Other receivables:		
General	Enterprise: School Nutrition	145,334
Enterprise: School Nutrition	General	<u>34</u>
		<u>145,300</u>
Total		\$ <u><u>146,893</u></u>

The other receivable interfund balances are due to timing differences involved in payroll and other reimbursements at year end.

The balances between governmental funds are not included on the government-wide Statement of Net Position. The balances between governmental and proprietary funds have been eliminated on the face of the government-wide Statement of Net Position.

NEVADA COMMUNITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2015

Note 6. Due From Other Governments

Details of amounts due from various other governments by fund at June 30, 2015, are as follows:

Governmental Funds:

General Fund:

Tuition from other Districts	\$ 184,936
Title I grants	59,507
Improving teacher quality grants	15,074
Career and technical education grants	11,911
Medicaid	98,077
Other	8,617
	<u>378,122</u>

Capital Projects Fund:

Statewide sales, services and use tax	<u>227,673</u>
	<u>605,795</u>

Proprietary Funds:

Enterprise: School Nutrition Fund:

Child nutrition grants	<u>7,057</u>
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Total due from other governments	<u><u>\$ 612,852</u></u>
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NEVADA COMMUNITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2015

Note 7. Capital Assets

Capital assets activity for the year ended June 30, 2015 is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 231,244	\$ -	\$ -	\$ 231,244
Construction in progress	14,415,534	319,238	-	14,734,772
Total capital assets not being depreciated	<u>14,646,778</u>	<u>319,238</u>	<u>-</u>	<u>14,966,016</u>
Capital assets being depreciated:				
Buildings	25,421,864	-	-	25,421,864
Land improvements	733,591	6,100	-	739,691
Machinery and equipment	2,121,390	258,958	9,400	2,370,948
Total capital assets being depreciated	<u>28,276,845</u>	<u>265,058</u>	<u>9,400</u>	<u>28,532,503</u>
Less accumulated depreciation for:				
Buildings	6,964,768	449,329	-	7,414,097
Land improvements	511,726	20,746	-	532,472
Machinery and equipment	1,674,290	92,833	9,400	1,757,723
Total accumulated depreciation	<u>9,150,784</u>	<u>562,908</u>	<u>9,400</u>	<u>9,704,292</u>
Total capital assets being depreciated, net	<u>19,126,061</u>	<u>(297,850)</u>	<u>-</u>	<u>18,828,211</u>
Governmental activities capital assets, net	<u>\$ 33,772,839</u>	<u>\$ 21,388</u>	<u>\$ -</u>	<u>\$ 33,794,227</u>
Business-type activities:				
Machinery and equipment	\$ 723,531	\$ 39,761	\$ -	\$ 763,292
Less accumulated depreciation	<u>225,191</u>	<u>33,295</u>	<u>-</u>	<u>258,486</u>
Business-type activities capital assets, net	<u>\$ 498,340</u>	<u>\$ 6,466</u>	<u>\$ -</u>	<u>\$ 504,806</u>

NEVADA COMMUNITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2015

Note 7. Capital Assets (continued)

Depreciation expense was charged by the District to the following functions:

Governmental activities:

Instruction:

Regular	\$ 6,028
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Support services:

Administration services	3,908
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Operation and maintenance of plant services	1,958
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Transportation services	75,559
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	87,453
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Unallocated depreciation	475,455
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Total governmental activities depreciation expense	\$ 562,908
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Business-type activities:

Food service operations	\$ 33,295
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NEVADA COMMUNITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2015

Note 8. Long-Term Liabilities

A summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2015 is as follows:

	Balance Beginning of Year, as Restated	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 8,330,000	\$ -	\$ 575,000	\$ 7,755,000	\$ 590,000
Revenue bonds	9,815,000	-	470,000	9,345,000	430,000
Early retirement	116,354	100,000	89,652	126,702	70,327
Compensated absences	31,932	36,163	31,932	36,163	36,163
Net pension liability	8,062,379	-	2,255,028	5,807,351	-
Net OPEB liability	197,234	73,622	-	270,856	-
	<hr/>				
Total	\$ 26,552,899	\$ 209,785	\$ 3,421,612	\$ 23,341,072	\$ 1,126,490
	<hr/>				
	Balance Beginning of Year, as Restated	Additions	Reductions	Balance End of Year	Due Within One Year
Business-type activities:					
Net pension liability	\$ 220,149	\$ -	\$ 35,204	\$ 184,945	\$ -
	<hr/>				

Bonded Debt

On June 27, 2006, the District issued general obligation bonds of \$4,100,000 for capital facility construction. On December 1, 2012, the District issued general obligation bonds of \$6,400,000 for the high school remodel project construction. The General Obligation Bonds will be paid with property taxes collected in the Debt Service Fund. Details of the District's June 30, 2015 general obligation bonded indebtedness are as follows:

NEVADA COMMUNITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2015

Note 8. Long-Term Liabilities (continued)

Bonded Debt (continued)

Year Ending June 30,	Bond Issue of June 27, 2006			
	Interest Rates	Principal	Interest	Total
2016	4.00 %	\$ 325,000	\$ 88,410	\$ 413,410
2017	4.00	340,000	75,410	415,410
2018	4.00	360,000	61,810	421,810
2019	4.00	375,000	47,410	422,410
2020	4.00	390,000	32,410	422,410
2021	4.10	410,000	16,810	426,810
Total		\$ 2,200,000	\$ 322,260	\$ 2,522,260

Year Ending June 30,	Bond Issue of December 1, 2012			
	Interest Rates	Principal	Interest	Total
2016	2.00 %	\$ 265,000	\$ 114,665	\$ 379,665
2017	2.00	25,000	109,365	134,365
2018	2.00	25,000	108,865	133,865
2019	2.00	25,000	108,365	133,365
2020	2.00	25,000	107,865	132,865
2021-2025	2.00	1,775,000	483,125	2,258,125
2026-2030	2.00-2.15	2,390,000	265,425	2,655,425
2031-2032	2.25-2.30	1,025,000	35,283	1,060,283
Total		\$ 5,555,000	\$ 1,332,958	\$ 6,887,958

NEVADA COMMUNITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2015

Note 8. Long-Term Liabilities (continued)

Bonded Debt (continued)

Year Ending June 30,	Total		
	Principal	Interest	Total
2016	\$ 590,000	\$ 203,075	\$ 793,075
2017	365,000	184,775	549,775
2018	385,000	170,675	555,675
2019	400,000	155,775	555,775
2020	415,000	140,275	555,275
2021-2025	2,185,000	499,935	2,684,935
2026-2030	2,390,000	265,425	2,655,425
2031-2032	1,025,000	35,283	1,060,283
Total	<u>\$ 7,755,000</u>	<u>\$ 1,655,218</u>	<u>\$ 9,410,218</u>

On July 1, 2009, the District issued statewide sales, services and use tax revenue bonds of \$11,100,000 for school infrastructure. The Revenue Bonds will be paid with statewide sales, services and use taxes collected in the Capital Projects Fund. Details of the District's June 30, 2015 statewide sales, services and use tax revenue bonded indebtedness are as follows:

Year Ending June 30,	Bond Issue of July 1, 2009			
	Interest Rates	Principal	Interest	Total
2016	4.00 %	\$ 430,000	\$ 441,475	\$ 871,475
2017	4.00	445,000	423,975	868,975
2018	4.00	465,000	405,775	870,775
2019	4.25	480,000	386,275	866,275
2020	4.50	500,000	364,825	864,825
2021-2025	4.50-5.00	2,890,000	1,443,000	4,333,000
2026-2030	5.00-5.30	4,135,000	622,052	4,757,052
Total		<u>\$ 9,345,000</u>	<u>\$ 4,087,377</u>	<u>\$ 13,432,377</u>

The District has pledged future statewide sales, services and use tax revenues to repay the bonds. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District in accordance with Chapter 423E of the Code of Iowa and are payable through 2030. The bonds are not a general obligation of the District and the debt is not subject to the constitutional debt limitations of the District. Annual principal and interest payments on the bonds are expected to require approximately 60 percent of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid is \$13,432,377. For the current year, \$470,000 in principal and \$459,475 in interest was paid on the bonds and total statewide sales, services and use tax revenues were \$1,466,392.

NEVADA COMMUNITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2015

Note 8. Long-Term Liabilities (continued)

Bonded Debt (continued)

The resolution providing for the issuance of the statewide sales, services and use tax revenue bonds includes the following provisions:

- a) The bonds will only be redeemed from the future earnings of the statewide sales, services and use tax revenues received by the District and the bond holders hold a lien on the future revenues received.
- b) Sufficient monthly deposits amounting to one sixth of the next interest payment and one twelfth of the next principal payment shall be made into a sinking fund for the purpose of making the bond principal and interest payments when due.
- c) A separate bond reserve fund will be maintained in the amount of \$1,095,946 to be used solely for the purpose of paying principal and interest in the event the sinking fund does not have sufficient funds for that purpose.

Early Retirement

The District offers a voluntary early retirement plan to its certified and support staff employees. Eligible employees must be at least age fifty-five and employees must have completed fifteen years of full-time service to the District. Employees must complete an application which is required to be approved by the Board of Education. The early retirement incentive for each eligible employee is equal to 45% of the employee's base salary. The employee's base salary is calculated by using the current year regular salary schedule, excluding any other additional pay. Early retirement benefits will be paid to a tax-sheltered annuity in annual payments not to exceed three years.

At June 30, 2015, the District has obligations to seven participants with a total liability of \$146,731. Early retirement benefits paid during the year ended June 30, 2015, totaled \$89,652. The cost of early retirement payments expected to be liquidated currently is recorded as a liability of the Special Revenue, Management Levy Fund in the fund financial statements and as a liability of the Governmental Activities in the government-wide financial statements. The long-term portion of early retirement is recorded as a long-term liability of the Governmental Activities in the government-wide financial statements.

Note 9. Pension Plan

Plan Description – IPERS membership is mandatory for employees of the District, except for those covered by another retirement system. Employees of the District are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code Chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

NEVADA COMMUNITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2015

Note 9. Pension Plan (continued)

Pension Benefits – A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, anytime after reaching age 62 with 20 or more years of covered employment, or when the member’s years of service plus the member’s age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member’s first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member’s monthly IPERS benefit includes:

- A multiplier (based on years of service).
- The member’s highest five-year average salary. (For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary.)

If a member retires before normal retirement age, the member’s monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 percent for each month that the member receives benefits before the member’s earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member’s lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits – A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member’s beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member’s accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions – Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS’ Contribution Rate Funding Policy and Actuarial Amortization Method. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the “entry age normal” actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2015, pursuant to the required rate, Regular members contributed 5.95 percent of pay and the District contributed 8.93 percent for a total rate of 14.88 percent.

The District’s contributions to IPERS for the year ended June 30, 2015 were \$942,367.

NEVADA COMMUNITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2015

Note 9. Pension Plan (continued)

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2015, the District reported a liability of \$5,992,296 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on the District’s share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2014, the District’s proportion was 0.151095 percent, which was an increase of 0.006843 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$467,420. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 65,125	\$ -
Changes of assumptions	264,454	-
Net difference between projected and actual earnings on pension plan investments	-	2,285,289
Changes in proportion and differences between District contributions and proportionate share of contributions	80,946	-
District contributions subsequent to the measurement date	942,367	-
Total	\$ 1,352,892	\$ 2,285,289

NEVADA COMMUNITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2015

Note 9. Pension Plan (continued)

\$942,367 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,		
2016	\$	(475,405)
2017		(475,405)
2018		(475,405)
2019		(475,405)
2020		<u>26,856</u>
Total	\$	<u><u>(1,874,764)</u></u>

Actuarial Assumptions – The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2014)	3.00 percent per annum
Salary increases (effective June 30, 2010)	4.00 to 17.00 percent, average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 1996)	7.50 percent compounded annually, net of investment expense, including inflation

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

NEVADA COMMUNITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2015

Note 9. Pension Plan (continued)

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
US Equity	23%	6.31
Non US Equity	15%	6.76
Private Equity	13%	11.34
Real Estate	8%	3.52
Core Plus Fixed Income	28%	2.06
Credit Opportunities	5%	3.67
TIPS	5%	1.92
Other Real Assets	2%	6.27
Cash	1%	(0.69)
Total	<u>100%</u>	

Discount Rate – The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
District's proportionate share of the net pension liability	\$ 11,322,274	\$ 5,992,296	\$ 1,493,241

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS’ website at www.ipers.org.

NEVADA COMMUNITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2015

Note 10. Other Postemployment Benefits (OPEB)

Plan Description – The District operates a single-employer retiree benefit plan which provides medical and prescription drug benefits for retirees and their spouses. There are 188 active and 9 retired members in the plan. Participants must be age 55 or older at retirement.

The medical/prescription drug coverage is provided through a fully-insured plan with Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability.

Funding Policy – The contribution requirements of plan members are established and may be amended by the District. The District currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation – The District’s annual OPEB cost is calculated based on the annual required contribution (ARC) of the District, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the District’s annual OPEB cost for the year ended June 30, 2015, the amount actually contributed to the plan and changes in the District’s net OPEB obligation:

Annual required contribution	\$ 133,034
Interest on net OPEB obligation	8,876
Adjustment to annual required contribution	<u>(12,109)</u>
Annual OPEB cost	129,801
Contributions made	<u>(56,179)</u>
Increase in net OPEB obligation	73,622
Net OPEB obligation beginning of year	<u>197,234</u>
Net OPEB obligation end of year	<u><u>\$ 270,856</u></u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2008. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2015.

For the year ended June 30, 2015, the District contributed \$56,179 to the medical plan.

NEVADA COMMUNITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2015

Note 10. Other Postemployment Benefits (OPEB) (continued)

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation are summarized as follows:

<u>Year Ended June 30,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2013	\$ 116,415	67.94%	\$ 159,386
2014	115,802	67.32%	197,234
2015	129,801	43.28%	270,856

Funded Status and Funding Progress – As of July 1, 2014, the most recent actuarial valuation date for the period July 1, 2014 through June 30, 2015, the actuarial accrued liability was \$1,204,801, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,204,801. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$10,767,000, and the ratio of the UAAL to covered payroll was 11.19%. As of June 30, 2015, there were no trust fund assets.

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information in the section following the Notes to Financial Statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2014 actuarial valuation date, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.5% discount rate based on the District's funding policy. The projected annual medical trend rate is 5%.

Mortality rates are from the RP 2014 Mortality Tables with Scale MP-2014. Annual retirement probabilities were developed based upon sample rates varying by age and employee type. Termination (turnover) probabilities were based on Scale T-6 of the Actuary's Pension Handbook for certified employees and Scale T-5 of the Actuary's Pension Handbook for classified employees.

NEVADA COMMUNITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2015

Note 10. Other Postemployment Benefits (OPEB) (continued)

Projected claim costs of the medical plan are as follows: \$844 per month for retirees and \$928 per month for spouses with the \$1,000 deductible Alliance Select plan; \$764 per month for retirees and \$840 per month for spouses with the \$2,000 deductible Alliance Select plan; and \$787 per month for retirees and \$865 for spouses with the \$1,000 deductible Blue Advantage plan. The salary increase rate was assumed to be 4% per year. The UAAL is being amortized as a level dollar amount on an open basis over 30 years.

The OPEB actuarial report was completed for the Nevada Community School District by Silverstone Group, Michael S. Vech, ASA, MAAA. The report may be obtained by contacting the Business Office of the Nevada Community School District.

A stand-alone financial report has not been issued for the OPEB plan.

Note 11. Short-Term Debt Activity

During the year ended June 30, 2015, the District entered into a short-term interfund loan from the General Fund to the Special Revenue, Management Levy Fund. The loan was necessary to provide temporary financing during periods of low cash flows due to timing differences between expenditures and expected property tax revenues. The loan included interest at 6.0%.

A summary of the short-term debt activity for the year ended June 30, 2015 is as follows:

	Balance Beginning of Year	Interfund Loan Received	Interfund Loan Repaid	Balance End of Year
Management Levy Fund	\$ -	\$ 92,625	\$ 92,625	\$ -

Note 12. Risk Management

Nevada Community School District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage from coverage in the prior year.

NEVADA COMMUNITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2015

Note 13. Categorical Funding

The District's ending restricted balances for categorical funding at June 30, 2015 is comprised of the following programs:

Program	Amount
Home school assistance program	\$ 66,952
Gifted and talented programs	21,844
Four year old preschool state aid	174,105
Teacher salary supplement	612
Successful progression for early readers	27,705
Professional development	80,288
Teacher leadership grants	164
STEM scale-up program	7,512
Local grants	790
Total	\$ 379,972

Note 14. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$605,478 for the year ended June 30, 2015 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

Note 15. Budget Overexpenditure

Per the Code of Iowa, expenditures/expenses may not legally exceed budgeted appropriations at the functional level. During the year ended June 30, 2015, expenditures/expenses in the instruction, support services, non-instructional programs and other expenditures functions exceeded the certified budget.

Note 16. Deficit Balance

The Enterprise, School Nutrition Fund had a deficit unrestricted net position of \$339,948 at June 30, 2015.

Note 17. Construction Commitments

The District has two active construction projects as of June 30, 2015. The projects are the High School remodel, renovation and addition project and the football stadium lights project. The District has entered into contracts totaling \$6,212,184. As of June 30, 2015, costs of \$4,843,417 had been incurred against the contracts. The balance of \$1,368,767 remaining at June 30, 2015 will be paid as work on the projects progresses.

NEVADA COMMUNITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2015

Note 18. Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27 was implemented during fiscal year 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, GASB No. 68 requires a state or local government employer to recognize a net pension liability and changes in the net pension liability, deferred outflows of resources and deferred inflows of resources which arise from other types of events related to pensions. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources will not be reported, except for deferred outflows of resources related to contributions made after the measurement date of the beginning net pension liability which is required to be reported by Governmental Accounting Standards Board Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. Beginning net position for governmental and business-type activities were restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date, as follows:

	Governmental Activities	School Nutrition Proprietary Fund/ Business-type Activities
Net position June 30, 2014, as previously reported	\$ 22,496,502	\$ 491,744
Net pension liability at June 30, 2014	(8,062,379)	(220,149)
Deferred outflows of resources related to contributions made after the June 30, 2013 measurement date	863,374	23,575
Net position July 1, 2014, as restated	\$ 15,297,497	\$ 295,170

Note 19. Subsequent Events

In October 2015, the Board approved a contract totaling \$451,041 for the stadium field turf renovation project.

In November 2015, the Board approved the issuance of \$8,415,000 of refunding revenue bonds to refund \$8,205,000 of the July 1, 2009 revenue bonds.

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Required Supplementary Information

NEVADA COMMUNITY SCHOOL DISTRICT

Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances –
 Budget and Actual – All Governmental Funds
 and Proprietary Fund
 Required Supplementary Information
 Year Ended June 30, 2015

	Governmental	Proprietary	Total	Budgeted Amounts		Final to Actual Variance
	Funds - Actual	Fund - Actual		Original	Final	
REVENUES:						
Local sources	\$ 8,090,346	\$ 432,535	\$ 8,522,881	\$ 7,872,775	\$ 7,872,775	\$ 650,106
State sources	11,239,925	6,245	11,246,170	11,072,608	11,072,608	173,562
Federal sources	623,954	384,100	1,008,054	740,390	740,390	267,664
Total revenues	19,954,225	822,880	20,777,105	19,685,773	19,685,773	1,091,332
EXPENDITURES/EXPENSES:						
Instruction	11,674,783	-	11,674,783	10,958,433	11,558,433	(116,350)
Support services	5,518,032	4,949	5,522,981	5,345,488	5,345,488	(177,493)
Non-instructional programs	-	948,243	948,243	648,000	873,000	(75,243)
Other expenditures	2,996,266	-	2,996,266	2,890,005	2,890,005	(106,261)
Total expenditures/expenses	20,189,081	953,192	21,142,273	19,841,926	20,666,926	(475,347)
Excess (deficiency) of revenues over (under) expenditures/ expenses	(234,856)	(130,312)	(365,168)	(156,153)	(981,153)	615,985
Other financing sources, net	10,159	-	10,159	-	-	10,159
Excess (deficiency) of revenues and other financing sources over (under) expenditures/ expenses	(224,697)	(130,312)	(355,009)	(156,153)	(981,153)	626,144
Balance beginning of year, as restated	7,076,980	295,170	7,372,150	6,666,292	6,666,292	705,858
Balance end of year	<u>\$ 6,852,283</u>	<u>\$ 164,858</u>	<u>\$ 7,017,141</u>	<u>\$ 6,510,139</u>	<u>\$ 5,685,139</u>	<u>\$ 1,332,002</u>

See accompanying independent auditor's report.

NEVADA COMMUNITY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING
June 30, 2015

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except private-purpose trust and agency funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the GAAP basis. Encumbrances are not recognized on the GAAP basis budget and appropriations lapse at year end.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund or fund type. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year, the District adopted one budget amendment increasing budgeted expenditures by \$825,000.

During the year ended June 30, 2015, expenditures/expenses in the instruction, support services, non-instructional programs and other expenditures functions exceeded the certified budget.

NEVADA COMMUNITY SCHOOL DISTRICT

Schedule of the District's Proportionate Share of the Net Pension Liability

Iowa Public Employees' Retirement System
 Last Fiscal Year*
 (In Thousands)

Required Supplementary Information

	<u>2015</u>
District's proportion of the net pension liability	0.151095
District's proportionate share of the net pension liability	\$ 5,992
District's covered-employee payroll	\$ 10,553
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	56.78%
Plan fiduciary net position as a percentage of the total pension liability	87.61%

* The amounts presented for each fiscal year were determined as of June 30.

See accompanying independent auditor's report.

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

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NEVADA COMMUNITY SCHOOL DISTRICT

Schedule of District's Contributions

Iowa Public Employees' Retirement System
Last Ten Fiscal Year
(In Thousands)

Required Supplementary Information

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Statutorily required contributions	\$ 942	\$ 882	\$ 818	\$ 739
Contributions in relation to the statutorily required contribution	<u>(942)</u>	<u>(882)</u>	<u>(818)</u>	<u>(739)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 10,553	\$ 9,880	\$ 9,433	\$ 9,151
Contributions as a percentage of covered-employee payroll	8.93%	8.93%	8.67%	8.07%

See accompanying independent auditor's report.

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$	625	\$ 596	\$ 582	\$ 518	\$ 451	430
	(625)	(596)	(582)	(518)	(451)	(430)
\$	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	8,996	\$ 8,964	\$ 9,164	\$ 8,563	\$ 7,840	7,485
	6.95%	6.65%	6.35%	6.05%	5.75%	5.75%

NEVADA COMMUNITY SCHOOL DISTRICT

Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2015

Changes of benefit terms:

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3 percent per year measured from the member's first unreduced retirement age to a 6 percent reduction for each year of retirement before age 65.

In 2008, legislative action transferred four groups – emergency medical service providers, county jailers, county attorney investigators, and National Guard installation security officers – from Regular membership to the protection occupation group for future service only.

Benefit provisions for sheriffs and deputies were changed in the 2004 legislative session. The eligibility for unreduced retirement benefits was lowered from age 55 by one year each July 1 (beginning in 2004) until it reached age 50 on July 1, 2008. The years of service requirement remained at 22 or more. Their contribution rates were also changed to be shared 50-50 by the employee and employer, instead of the previous 40-60 split.

Changes of assumptions:

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25 percent to 3.00 percent.
- Decreased the assumed rate of interest on member accounts from 4.00 percent to 3.75 percent per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20 year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in the future years. It also included in the calculation of the UAL amortization payments the one-year lag between the valuation date and the effective date of the annual actuarial contribution rate.

NEVADA COMMUNITY SCHOOL DISTRICT

Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2015

The 2006 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted salary increase assumptions to service based assumptions.
- Decreased the assumed interest rate credited on employee contributions from 4.25 percent to 4.00 percent.
- Lowered the inflation assumption from 3.50 percent to 3.25 percent.
- Lowered disability rates for sheriffs and deputies and protection occupation members.

NEVADA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS FOR THE RETIREE HEALTH PLAN
(In Thousands)
Required Supplementary Information
Year Ended June 30, 2015

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)	Employer Contributions
2009	July 1, 2008	\$ -	\$ 910	\$ 910	0.0%	\$ 6,959	13.08%	\$ 53
2010	July 1, 2008	-	910	910	0.0%	7,767	11.72%	69
2011	July 1, 2008	-	910	910	0.0%	9,290	9.80%	53
2012	July 1, 2011	-	1,100	1,100	0.0%	9,404	11.69%	80
2013	July 1, 2011	-	1,100	1,100	0.0%	9,703	11.33%	79
2014	July 1, 2011	-	1,100	1,100	0.0%	10,085	10.90%	78
2015	July 1, 2014	-	1,205	1,205	0.0%	10,767	11.19%	56

See note 10 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost and net OPEB obligation, funded status and funding progress.

See accompanying independent auditor's report.

Supplementary Information

Nevada Community School District

Nonmajor Governmental Funds

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Management Levy Fund

This fund accounts for property taxes collected to pay property and boiler insurance, fidelity bonds, worker's compensation, liability insurance premiums, unemployment insurance claims and early retirement incentives.

Student Activity Fund

This fund accounts for funds raised by student groups. Under State Law, the Board retains responsibility for the Student Activity Fund's ultimate disposition.

NEVADA COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2015

	Special Revenue		Total
	Management Levy	Student Activity	
Assets			
Cash and pooled investments	\$ 33,427	\$ 207,416	\$ 240,843
Receivables:			
Property tax:			
Delinquent	1,786	-	1,786
Succeeding year	386,133	-	386,133
Accounts	-	1,237	1,237
Total assets	\$ 421,346	\$ 208,653	\$ 629,999
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ -	\$ 20,581	\$ 20,581
Due to other governments	1,618	69	1,687
Interfund payable	-	1,593	1,593
Early retirement payable	20,029	-	20,029
Total liabilities	21,647	22,243	43,890
Deferred inflows of resources:			
Succeeding year property tax	386,133	-	386,133
Fund balances:			
Restricted for:			
Management levy purposes	13,566	-	13,566
Student activities	-	186,410	186,410
Total fund balances	13,566	186,410	199,976
Total liabilities, deferred inflows of resources and fund balances			
	\$ 421,346	\$ 208,653	\$ 629,999

See accompanying independent auditor's report.

NEVADA COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2015

	Special Revenue		Total
	Management Levy	Student Activity	
Revenues:			
Local sources:			
Local tax	\$ 351,833	\$ -	\$ 351,833
Other	11,367	458,645	470,012
State sources	5,391	-	5,391
Total revenues	<u>368,591</u>	<u>458,645</u>	<u>827,236</u>
Expenditures:			
Current:			
Instruction	92,431	451,760	544,191
Support services:			
Administration services	20,477	-	20,477
Operation and maintenance of plant services	174,885	21	174,906
Transportation services	17,381	-	17,381
Total expenditures	<u>305,174</u>	<u>451,781</u>	<u>756,955</u>
Excess of revenues over expenditures	63,417	6,864	70,281
Fund balances beginning of year	<u>(49,851)</u>	<u>179,546</u>	<u>129,695</u>
Fund balances end of year	<u>\$ 13,566</u>	<u>\$ 186,410</u>	<u>\$ 199,976</u>

See accompanying independent auditor's report.

NEVADA COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET
CAPITAL PROJECTS ACCOUNTS
June 30, 2015

	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Building Project	Total
Assets				
Cash and pooled investments	\$ 1,931,942	\$ 391,681	\$ 419,318	\$ 2,742,941
Receivables:				
Property tax:				
Delinquent	-	1,844	-	1,844
Succeeding year	-	441,991	-	441,991
Due from other governments	227,673	-	-	227,673
 Total assets	 \$ 2,159,615	 \$ 835,516	 \$ 419,318	 \$ 3,414,449
 Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ 13,359	\$ 127,305	\$ 140,664
Deferred inflows of resources:				
Succeeding year property tax	-	441,991	-	441,991
 Fund balances:				
Restricted for:				
School infrastructure	2,159,615	-	292,013	2,451,628
Physical plant and equipment	-	380,166	-	380,166
Total fund balances	2,159,615	380,166	292,013	2,831,794
 Total liabilities, deferred inflows of resources and fund balances	 \$ 2,159,615	 \$ 835,516	 \$ 419,318	 \$ 3,414,449

See accompanying independent auditor's report.

NEVADA COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 CAPITAL PROJECTS ACCOUNTS
 Year Ended June 30, 2015

	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Building Project	Total
Revenues:				
Local sources:				
Local tax	\$ -	\$ 406,006	\$ -	\$ 406,006
Other	49,475	13,988	75,218	138,681
State sources	1,466,392	5,719	-	1,472,111
Total revenues	<u>1,515,867</u>	<u>425,713</u>	<u>75,218</u>	<u>2,016,798</u>
Expenditures:				
Current:				
Instruction	174,737	29,628	-	204,365
Support services:				
Instructional staff services	187,398	49,555	-	236,953
Operation and maintenance of plant services	-	35,754	-	35,754
Transportation services	-	37,827	-	37,827
Other expenditures:				
Facilities acquisition	18,986	211,990	433,787	664,763
Total expenditures	<u>381,121</u>	<u>364,754</u>	<u>433,787</u>	<u>1,179,662</u>
Excess (deficiency) of revenues over (under) expenditures	1,134,746	60,959	(358,569)	837,136
Other financing uses:				
Transfers out	<u>(868,002)</u>	-	-	<u>(868,002)</u>
Net change in fund balances	266,744	60,959	(358,569)	(30,866)
Fund balances beginning of year	<u>1,892,871</u>	<u>319,207</u>	<u>650,582</u>	<u>2,862,660</u>
Fund balances end of year	<u>\$ 2,159,615</u>	<u>\$ 380,166</u>	<u>\$ 292,013</u>	<u>\$ 2,831,794</u>

See accompanying independent auditor's report.

NEVADA COMMUNITY SCHOOL DISTRICT
 SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUND
 Year Ended June 30, 2015

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
Assets				
Cash and pooled investments	\$ 21,142	\$ 7,008	\$ 4,620	\$ 23,530
Accounts receivable	278	-	10	268
	<u>\$ 21,420</u>	<u>\$ 7,008</u>	<u>\$ 4,630</u>	<u>\$ 23,798</u>
Liabilities				
Accounts payable	\$ 294	\$ -	\$ 294	\$ -
Due to other groups	21,126	7,008	4,336	23,798
	<u>\$ 21,420</u>	<u>\$ 7,008</u>	<u>\$ 4,630</u>	<u>\$ 23,798</u>

See accompanying independent auditor's report.

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Statistical Section

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NEVADA COMMUNITY SCHOOL DISTRICT

Statistical Section

(Unaudited)

This part of the Nevada Community School District’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District’s overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District’s financial performance and well-being have changed over time.	96-111
Revenue Capacity These schedules contain trend information to help the reader assess the factors affecting the District’s ability to generate its property taxes.	112-115
Debt Capacity These schedules contain trend information to help the reader assess the affordability of the District’s current levels of outstanding debt and the District’s ability to issue additional debt in the future.	116-122
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District’s operations take place and to help make comparisons over time and with other governments.	123-127
Operating Information These schedules contain information about the District’s operations and resources to help the reader understand how the District’s financial information relates to the services the District provides and the activities it performs.	128-131

NEVADA COMMUNITY SCHOOL DISTRICT

NET POSITION BY COMPONENT
 Last Ten Fiscal Years
 (accrual basis of accounting)
 (Unaudited)

	Fiscal Year			
	2006	2007	2008	2009
Governmental activities				
Net investment in capital assets	\$ 6,676,587	\$ 5,686,850	\$ 6,355,513	\$ 7,115,034
Restricted	266,512	2,988,643	3,059,113	3,899,173
Unrestricted	736,244	1,062,085	1,737,253	602,609
Total governmental activities net position	7,679,343	9,737,578	11,151,879	11,616,816
Business-type activities				
Net investment in capital assets	57,531	66,718	63,778	57,877
Restricted	-	-	-	-
Unrestricted	31,074	71,550	65,693	55,682
Total business-type activities net position	88,605	138,268	129,471	113,559
Primary government				
Net investment in capital assets	6,734,118	5,753,568	6,419,291	7,172,911
Restricted	266,512	2,988,643	3,059,113	3,899,173
Unrestricted	767,318	1,133,635	1,802,946	658,291
Total primary government net position	7,767,948	9,875,846	11,281,350	11,730,375

Notes: For the fiscal year ending 2015 the District implemented Governmental Accounting Standards Board Statement 68 Accounting and Financial Reporting for Pensions. This accounts for almost all of the large decrease in unrestricted net position over the prior year.

Source: School District Financial Records

	2010	2011	2012	2013	2014	2015
\$	2,504,113	\$ 6,882,710	\$ 14,567,782	\$ 15,986,691	\$ 16,280,078	\$ 16,986,240
	9,681,107	6,945,794	3,760,529	3,907,390	4,394,978	4,650,933
	519,637	1,287,665	2,083,344	1,861,420	1,821,446	(4,948,186)
	12,704,857	15,116,169	20,411,655	21,755,501	22,496,502	16,688,987
	58,047	53,203	66,647	72,840	498,340	504,806
	-	-	-	-	-	-
	105,790	140,617	61,705	(13,817)	(6,596)	(339,948)
	163,837	193,820	128,352	59,023	491,744	164,858
	2,562,160	6,935,913	14,634,429	16,059,531	16,778,418	17,491,046
	9,681,107	6,945,794	3,760,529	3,907,390	4,394,978	4,650,933
	625,427	1,428,282	2,145,049	1,847,603	1,814,850	(5,288,134)
	12,868,694	15,309,989	20,540,007	21,814,524	22,988,246	16,853,845

NEVADA COMMUNITY SCHOOL DISTRICT

EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE) REVENUE
 Last Ten Fiscal Years
 (accrual basis of accounting)
 (Unaudited)

	Fiscal Year			
	2006	2007	2008	2009
Expenses				
Governmental Activities:				
Instruction	\$ 8,566,639	\$ 8,819,553	\$ 9,465,919	\$ 9,597,385
Student Services	553,116	562,967	704,624	726,992
Instructional Staff Services	485,660	561,912	608,542	530,941
Administration Services	925,429	1,074,906	1,073,190	1,274,126
Operation and Maintenance of Plant Services	1,114,833	1,162,466	1,757,438	1,565,012
Transportation Services	442,531	492,330	426,668	620,423
Non-Instructional Programs	19,210	28,606	26,332	14,535
Facilities Acquisition	810,283	-	-	-
Long-term debt interest and fiscal charges	306,149	382,249	307,300	321,037
AEA Flowthrough	427,831	462,464	493,418	506,098
Depreciation (unallocated)	599,916	257,450	396,840	737,289
Total governmental activities expenses	<u>14,251,597</u>	<u>13,804,903</u>	<u>15,260,271</u>	<u>15,893,838</u>
Business-Type Activities:				
Administration Services	-	-	349	202
Operation and Maintenance of Plant Services	-	17,389	19,417	13,358
Food Service Operations	558,632	563,754	615,942	648,810
Total business-type activities expenses	<u>558,632</u>	<u>581,143</u>	<u>635,708</u>	<u>662,370</u>
Total primary government expenses	<u>14,810,229</u>	<u>14,386,046</u>	<u>15,895,979</u>	<u>16,556,208</u>

	2010	2011	2012	2013	2014	2015
\$	9,345,206	\$ 9,443,658	\$ 10,362,498	\$ 10,344,934	\$ 10,348,540	\$ 11,291,330
	722,101	756,836	767,057	894,291	982,690	989,300
	589,891	752,446	680,026	916,823	855,627	927,240
	1,140,944	1,215,724	1,245,889	1,331,779	1,471,692	1,654,129
	1,199,756	1,363,732	1,162,153	1,495,870	1,741,410	1,569,297
	489,593	482,232	567,134	650,381	607,470	529,605
	4,622	1,897	-	-	435,656	-
	327,584	-	212,015	-	-	-
	826,855	823,115	658,890	795,901	706,685	670,085
	553,617	560,349	508,759	533,548	563,800	605,478
	207,263	398,604	373,519	352,429	460,378	475,455
	<u>15,407,432</u>	<u>15,798,593</u>	<u>16,537,940</u>	<u>17,315,956</u>	<u>18,173,948</u>	<u>18,711,919</u>
	-	-	194	-	-	-
	13,700	13,899	13,059	6,116	4,244	4,949
	<u>643,261</u>	<u>653,428</u>	<u>771,782</u>	<u>772,810</u>	<u>768,146</u>	<u>948,243</u>
	<u>656,961</u>	<u>667,327</u>	<u>785,035</u>	<u>778,926</u>	<u>772,390</u>	<u>953,192</u>
	<u>16,064,393</u>	<u>16,465,920</u>	<u>17,322,975</u>	<u>18,094,882</u>	<u>18,946,338</u>	<u>19,665,111</u>

NEVADA COMMUNITY SCHOOL DISTRICT

EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE) REVENUE
 Last Ten Fiscal Years
 (accrual basis of accounting)
 (Unaudited)

	Fiscal Year			
	2006	2007	2008	2009
Program Revenues				
Governmental Activities:				
Charges for Services:				
Instruction	\$ 1,154,109	\$ 1,078,361	\$ 1,134,381	\$ 1,082,449
Support Services	5,680	1,963	1,984	43,473
Operating Grants and Contributions	1,164,797	1,429,221	1,972,974	1,910,991
Capital Grants and Contributions	-	19,940	62,196	-
Total governmental activities program revenues	<u>2,324,586</u>	<u>2,529,485</u>	<u>3,171,535</u>	<u>3,036,913</u>
Business-Type Activities:				
Food Service Operations:				
Charges for Services	367,572	361,080	370,583	389,375
Operating Grants and Contributions	204,845	239,455	253,139	256,107
Capital Grants and Contributions	-	-	-	-
Total business-type activities program revenues	<u>572,417</u>	<u>600,535</u>	<u>623,722</u>	<u>645,482</u>
Total primary government program revenues	<u>2,897,003</u>	<u>3,130,020</u>	<u>3,795,257</u>	<u>3,682,395</u>
Net (Expense)/Revenue				
Total governmental activities net expense	(11,927,011)	(11,275,418)	(12,088,736)	(12,856,925)
Total business-type activities net (expense) revenue	<u>13,785</u>	<u>19,392</u>	<u>(11,986)</u>	<u>(16,888)</u>
Total primary government net expense	<u>\$ (11,913,226)</u>	<u>\$ (11,256,026)</u>	<u>\$ (12,100,722)</u>	<u>\$ (12,873,813)</u>

Source: School District Financial Records

	2010	2011	2012	2013	2014	2015
\$	1,030,208	\$ 1,020,925	\$ 1,293,350	\$ 1,409,639	\$ 1,513,912	\$ 1,640,322
	20,907	45,968	79,110	103,627	73,263	87,703
	2,897,484	2,082,308	2,308,371	2,342,535	2,661,300	2,531,339
	-	759,124	4,136,811	476,612	-	-
	<u>3,948,599</u>	<u>3,908,325</u>	<u>7,817,642</u>	<u>4,332,413</u>	<u>4,248,475</u>	<u>4,259,364</u>
	394,698	363,456	375,585	353,840	393,612	393,815
	312,259	329,311	343,378	340,062	376,625	390,345
	-	-	-	15,407	434,686	38,603
	<u>706,957</u>	<u>692,767</u>	<u>718,963</u>	<u>709,309</u>	<u>1,204,923</u>	<u>822,763</u>
	<u>4,655,556</u>	<u>4,601,092</u>	<u>8,536,605</u>	<u>5,041,722</u>	<u>5,453,398</u>	<u>5,082,127</u>
	(11,458,833)	(11,890,268)	(8,720,298)	(12,983,543)	(13,925,473)	(14,452,555)
	49,996	25,440	(66,072)	(69,617)	432,533	(130,429)
\$	<u>(11,408,837)</u>	<u>(11,864,828)</u>	<u>(8,786,370)</u>	<u>(13,053,160)</u>	<u>(13,492,940)</u>	<u>(14,582,984)</u>

NEVADA COMMUNITY SCHOOL DISTRICT

GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION

Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2006	2007	2008	2009
Net (Expense)/Revenue				
Total Governmental Activities net expense	\$ (11,927,011)	\$ (11,275,418)	\$ (12,088,736)	\$ (12,856,925)
Total business-type activities net revenue (expense)	13,785	19,392	(11,986)	(16,888)
Total primary government net expense	<u>\$ (11,913,226)</u>	<u>\$ (11,256,026)</u>	<u>\$ (12,100,722)</u>	<u>\$ (12,873,813)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property tax levied for:				
General purposes	\$ 4,106,936	\$ 3,778,248	\$ 3,756,206	\$ 3,648,552
Debt service	438,498	439,108	447,359	408,359
Capital outlay	279,787	285,331	297,244	310,904
Income surtax	-	405,401	327,752	367,425
Sales tax	1,362,867	1,545,767	1,504,206	1,549,800
Unrestricted grants and contributions	6,020,105	6,419,498	6,733,643	6,806,429
Nonspecific program federal grants	-	-	-	-
Miscellaneous	46,514	85,161	229,554	161,698
Investment earnings	242,954	375,139	207,223	105,977
Transfers	13,948	-	(150)	-
Extraordinary items	-	-	-	(37,282)
Total governmental activities general revenues	<u>12,511,609</u>	<u>13,333,653</u>	<u>13,503,037</u>	<u>13,321,862</u>
Business-type activities:				
Miscellaneous	-	26,404	-	-
Investment earnings	2,591	3,867	3,039	976
Transfers	(13,948)	-	150	-
Total business-type activities general revenues	<u>(11,357)</u>	<u>30,271</u>	<u>3,189</u>	<u>976</u>
Total primary government	<u>12,500,252</u>	<u>13,363,924</u>	<u>13,506,226</u>	<u>13,322,838</u>
Changes in Net Position				
Governmental activities	584,598	2,058,235	1,414,301	464,937
Business-type activities	2,428	49,663	(8,797)	(15,912)
Total primary government	<u>\$ 587,026</u>	<u>\$ 2,107,898</u>	<u>\$ 1,405,504</u>	<u>\$ 449,025</u>

Source: School District Financial Records

	2010	2011	2012	2013	2014	2015
\$	(11,458,833)	\$ (11,890,268)	\$ (8,720,298)	\$ (12,983,543)	\$ (13,925,473)	\$ (14,452,555)
	49,996	25,440	(66,072)	(69,617)	432,533	(130,429)
\$	<u>(11,408,837)</u>	<u>(11,864,828)</u>	<u>(8,786,370)</u>	<u>(13,053,160)</u>	<u>(13,492,940)</u>	<u>(14,582,984)</u>
\$	3,972,925	\$ 4,468,324	\$ 4,218,791	\$ 4,163,355	\$ 4,519,309	\$ 4,830,959
	407,479	411,979	409,776	804,333	798,646	810,088
	323,783	342,385	356,414	372,276	389,827	411,725
	381,785	403,325	395,075	380,484	451,403	494,014
	1,467,841	1,470,798	1,658,000	1,683,338	1,298,640	1,466,392
	5,777,496	6,642,372	6,652,762	6,803,318	7,139,410	7,666,125
	-	340,684	213,809	-	-	-
	75,179	119,446	34,134	152,973	28,427	139,383
	140,386	102,267	77,023	58,759	40,812	25,359
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>12,546,874</u>	<u>14,301,580</u>	<u>14,015,784</u>	<u>14,418,836</u>	<u>14,666,474</u>	<u>15,844,045</u>
	-	3,813	-	-	-	-
	282	730	604	288	188	117
	-	-	-	-	-	-
	<u>282</u>	<u>4,543</u>	<u>604</u>	<u>288</u>	<u>188</u>	<u>117</u>
	<u>12,547,156</u>	<u>14,306,123</u>	<u>14,016,388</u>	<u>14,419,124</u>	<u>14,666,662</u>	<u>15,844,162</u>
	1,088,041	2,411,312	5,295,486	1,435,293	741,001	1,391,490
	50,278	29,983	(65,468)	(69,329)	432,721	(130,312)
\$	<u>1,138,319</u>	<u>2,441,295</u>	<u>5,230,018</u>	<u>1,365,964</u>	<u>1,173,722</u>	<u>1,261,178</u>

NEVADA COMMUNITY SCHOOL DISTRICT
 FUND BALANCES, GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 (Unaudited)

	Fiscal Year			
	2006	2007	2008	2009
General Fund:				
Reserved	\$ 42,953	\$ 63,394	\$ 70,527	\$ 139,028
Unreserved	580,670	806,162	719,898	588,479
Non-spendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>\$ 623,623</u>	<u>\$ 869,556</u>	<u>\$ 790,425</u>	<u>\$ 727,507</u>
All Other Governmental Funds:				
Reserved:				
Debt service funds	\$ 1,661,818	\$ 2,161,963	\$ 2,030,288	\$ 2,024,502
Other reserved	-	-	-	-
Unreserved, reported in:				
Capital projects funds	5,088,600	1,502,874	1,453,287	1,507,892
Special revenue funds	223,223	243,431	307,641	222,615
Restricted for the following purposes:				
Debt service	-	-	-	-
School infrastructure	-	-	-	-
Physical plant and equipment	-	-	-	-
Management levy purposes	-	-	-	-
Student activity	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 6,973,641</u>	<u>\$ 3,908,268</u>	<u>\$ 3,791,216</u>	<u>\$ 3,755,009</u>

Notes: For the fiscal year ending 2011 the District implemented Governmental Accounting Standards Board Statement 54 which now classifies fund balance into nonspendable, restricted, committed, assigned and unassigned categories.

Source: School District Financial Records

	2010	2011	2012	2013	2014	2015
\$	284,756	\$ -	\$ -	\$ -	\$ -	-
	570,918	-	-	-	-	-
	-	-	-	-	5,817	97,878
	-	328,749	401,934	255,106	432,818	379,972
	-	54,000	26,961	26,962	26,962	26,962
	-	98,862	102,280	171,040	181,780	174,038
	-	1,274,047	1,686,656	1,564,549	1,612,155	1,354,933
\$	<u>855,674</u>	<u>\$ 1,755,658</u>	<u>\$ 2,217,831</u>	<u>\$ 2,017,657</u>	<u>\$ 2,259,532</u>	<u>\$ 2,033,783</u>
\$	5,785,423	\$ -	\$ -	\$ -	\$ -	-
	-	-	-	-	-	-
	3,269,576	-	-	-	-	-
	305,693	-	-	-	-	-
	-	4,953,232	2,013,206	2,019,211	1,825,093	1,786,730
	-	1,219,992	1,175,513	5,074,048	2,543,453	2,451,628
	-	283,287	250,564	298,086	319,207	380,166
	-	11,208	175,466	-	-	13,566
	-	160,534	140,174	147,113	179,546	186,410
	-	-	(47,759)	(2,024)	(49,851)	-
\$	<u>9,360,692</u>	<u>\$ 6,628,253</u>	<u>\$ 3,707,164</u>	<u>\$ 7,536,434</u>	<u>\$ 4,817,448</u>	<u>\$ 4,818,500</u>

NEVADA COMMUNITY SCHOOL DISTRICT

GOVERNMENTAL FUNDS REVENUES

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year			
	2006	2007	2008	2009
Federal sources:				
Federal sources	\$ <u>261,805</u>	\$ <u>275,655</u>	\$ <u>302,886</u>	\$ <u>368,105</u>
State sources:				
State sources	<u>6,923,097</u>	<u>7,464,747</u>	<u>8,230,951</u>	<u>8,306,423</u>
Intermediate sources:				
Intermediate sources	<u>2,000</u>	<u>35,252</u>	<u>10,378</u>	<u>11,793</u>
Local sources:				
Local taxes	6,188,088	6,380,883	6,371,211	6,289,506
Tuition	561,729	570,688	612,406	660,237
Other revenues	839,014	1,060,102	1,169,612	761,336
Total local sources	<u>7,588,831</u>	<u>8,011,673</u>	<u>8,153,229</u>	<u>7,711,079</u>
Total Revenues	\$ <u><u>14,775,733</u></u>	\$ <u><u>15,787,327</u></u>	\$ <u><u>16,697,444</u></u>	\$ <u><u>16,397,400</u></u>

Source: School District Financial Records

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ <u>1,333,583</u>	\$ <u>1,590,824</u>	\$ <u>1,084,570</u>	\$ <u>439,632</u>	\$ <u>508,619</u>	\$ <u>623,954</u>
<u>7,279,946</u>	<u>8,144,467</u>	<u>8,686,429</u>	<u>8,666,541</u>	<u>10,411,671</u>	<u>11,239,925</u>
<u>9,509</u>	<u>10,491</u>	<u>11,843</u>	<u>354</u>	<u>-</u>	<u>-</u>
6,509,565	7,086,356	7,024,048	7,411,008	6,150,262	6,405,154
666,435	627,440	805,606	802,661	877,552	780,934
641,018	738,972	4,209,427	1,328,460	956,125	904,258
<u>7,817,018</u>	<u>8,452,768</u>	<u>12,039,081</u>	<u>9,542,129</u>	<u>7,983,939</u>	<u>8,090,346</u>
\$ <u><u>16,440,056</u></u>	\$ <u><u>18,198,550</u></u>	\$ <u><u>21,821,923</u></u>	\$ <u><u>18,648,656</u></u>	\$ <u><u>18,904,229</u></u>	\$ <u><u>19,954,225</u></u>

NEVADA COMMUNITY SCHOOL DISTRICT

GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 (Unaudited)

	Fiscal Year			
	2006	2007	2008	2009
Instruction	\$ 8,338,486	\$ 8,833,840	\$ 9,473,916	\$ 9,472,683
Student services	553,116	562,967	704,624	721,981
Instructional staff services	485,660	561,912	608,542	530,324
Administration services	920,449	968,569	1,068,481	1,145,952
Operations and maintenance of plant services	1,114,473	1,171,874	1,213,458	1,254,225
Pupil transportation services	440,249	578,190	742,370	616,057
Non-instructional programs	19,210	28,606	26,332	14,535
AEA flowthrough	427,831	462,464	493,418	506,098
Capital outlay:				
Facilities acquisition/construction	5,867,298	4,016,239	1,277,204	927,262
Debt service:				
Principal	583,833	1,240,977	1,121,526	1,023,434
Interest and fiscal charges	214,048	382,445	318,246	330,569
	<u>\$ 18,964,653</u>	<u>\$ 18,808,083</u>	<u>\$ 17,048,117</u>	<u>\$ 16,543,120</u>
Debt service as a percentage of noncapital expenditures	4.39%	9.45%	9.22%	8.91%

Source: School District Financial Records

	2010	2011	2012	2013	2014	2015
\$	9,439,695	\$ 9,329,002	\$ 10,354,718	\$ 10,364,216	\$ 10,356,121	\$ 11,674,783
	723,389	755,352	767,385	889,923	980,105	1,022,009
	589,576	752,153	680,026	902,037	809,535	937,604
	1,130,226	1,188,237	1,253,032	1,288,736	1,449,247	1,695,007
	1,198,608	1,237,995	1,160,057	1,345,642	1,367,412	1,363,901
	476,125	498,694	516,590	688,525	671,788	499,511
	4,622	1,897	-	-	970	-
	553,617	560,349	508,759	533,548	563,800	605,478
	6,037,039	3,871,655	5,499,364	3,362,682	3,260,324	664,763
	1,023,796	1,130,884	2,834,821	1,265,900	1,205,000	1,045,000
	561,658	783,386	706,112	799,180	721,163	681,025
\$	<u>21,738,351</u>	<u>\$ 20,109,604</u>	<u>\$ 24,280,864</u>	<u>\$ 21,440,389</u>	<u>\$ 21,385,465</u>	<u>\$ 20,189,081</u>
	7.87%	10.52%	17.07%	10.66%	9.90%	9.35%

NEVADA COMMUNITY SCHOOL DISTRICT

OTHER FINANCING SOURCES (USES) AND NET CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	2006	2007	2008	2009
Excess of revenues over (under) expenditures	\$ <u>(4,188,920)</u>	\$ <u>(3,020,756)</u>	\$ <u>(350,673)</u>	\$ <u>(145,720)</u>
Other financing sources (uses)				
Issuance of general obligation bonds	4,100,000	-	-	-
Issuance of revenue bonds	-	-	-	-
Capital lease purchase agreement	-	198,477	87,918	80,754
Issuance of anticipatory warrants	-	-	-	-
Redemption of anticipatory warrants	-	-	-	-
Refunding debt issued	-	-	-	-
Payment to refunding escrow agent	-	-	-	-
Premium on bonds	46,514	-	-	-
Sale of capital assets	3,650	2,839	66,722	3,123
Transfers in	1,879,742	1,118,837	947,206	939,732
Transfers out	(1,865,794)	(1,118,837)	(947,356)	(939,732)
Extraordinary items	-	-	-	(37,282)
Total other financing sources (uses)	<u>4,164,112</u>	<u>201,316</u>	<u>154,490</u>	<u>46,595</u>
Net change in fund balances	\$ <u><u>(24,808)</u></u>	\$ <u><u>(2,819,440)</u></u>	\$ <u><u>(196,183)</u></u>	\$ <u><u>(99,125)</u></u>

Source: School District Financial Records

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$	<u>(5,298,295)</u>	<u>(1,911,054)</u>	<u>(2,458,941)</u>	<u>(2,791,733)</u>	<u>(2,481,236)</u>	<u>(234,856)</u>
	-	-	-	6,400,000	-	-
10,981,587	77,699	-	-	-	-	-
-	-	-	-	-	-	-
-	-	1,000,000	-	-	-	-
-	-	(1,000,000)	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
39,389	-	-	-	112,236	-	-
11,169	900	25	40	4,125	10,159	
4,392,514	730,477	1,252,989	1,152,080	947,055	868,002	
(4,392,514)	(730,477)	(1,252,989)	(1,152,080)	(947,055)	(868,002)	
-	-	-	-	-	-	-
<u>11,032,145</u>	<u>78,599</u>	<u>25</u>	<u>6,512,276</u>	<u>4,125</u>	<u>10,159</u>	
\$	<u><u>5,733,850</u></u>	<u><u>(1,832,455)</u></u>	<u><u>(2,458,916)</u></u>	<u><u>3,720,543</u></u>	<u><u>(2,477,111)</u></u>	<u><u>(224,697)</u></u>

NEVADA COMMUNITY SCHOOL DISTRICT

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30,	Actual Value			Less Exemptions	Total Taxable Value	Total Direct Rate (a)
	Residential Property	Commercial Property	Other Property			
2006	\$ 274,600,449	\$ 46,620,972	\$ 66,546,901	\$ 151,266,981	\$ 236,501,341	\$ 17.76519
2007	302,790,752	47,679,083	60,227,881	172,954,503	237,743,213	17.75500
2008	310,544,423	47,470,233	60,498,524	179,031,956	239,481,224	17.72244
2009	338,485,981	46,399,192	64,625,968	200,558,626	248,952,515	16.43213
2010	344,747,412	47,107,600	77,673,871	202,587,794	266,941,089	16.45943
2011	353,353,416	47,196,143	90,826,200	199,641,447	291,734,312	17.03265
2012	371,578,600	46,348,330	149,325,107	212,636,319	354,615,718	15.61389
2013	374,910,200	62,826,600	183,901,861	251,116,024	370,522,637	15.61527
2014	378,413,000	64,611,500	193,095,960	248,421,490	387,698,970	15.71000
2015	363,477,756	46,713,712	176,449,424	181,863,991	404,776,901	16.75171

Source: Story County Auditor

Notes: Property is assessed on a calendar year basis. The assessments finalized as of January 1 of each year are applied to the following fiscal year. Assessed value equals estimated actual value.

(a) Per \$1,000 of assessed value.

NEVADA COMMUNITY SCHOOL DISTRICT
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 Last Ten Fiscal Years
 (Rate per \$1,000 of assessed value)
 (Unaudited)

Fiscal Year Ended June 30,	District Direct Rates			Overlapping Rates		
	General Purposes	Capital Purposes	Total	Story County	City of Nevada	Community College
2006	\$ 15.19793	\$ 2.56726	\$ 17.76519	\$ 6.61371	\$ 14.88108	\$ 0.68408
2007	15.25833	2.49667	17.75500	6.74790	14.87874	0.68688
2008	15.22244	2.50000	17.72244	6.61712	14.87874	0.60276
2009	14.11868	2.31345	16.43213	6.75930	15.12870	0.56386
2010	14.20095	2.25848	16.45943	6.89497	15.12870	0.56778
2011	14.82939	2.20326	17.03265	6.73556	15.00435	0.56008
2012	13.46417	2.14972	15.61389	6.53519	15.00435	0.59018
2013	12.45469	3.16058	15.61527	6.70208	15.42934	0.58466
2014	12.66128	3.04872	15.71000	6.68297	15.32974	0.69120
2015	13.78384	2.96787	16.75171	6.57879	14.99653	0.65724

Source: Story County Auditor

Notes: Assessed value equals estimated actual value.

NEVADA COMMUNITY SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago
(Unaudited)

Taxpayer	2015			2006		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
E I duPont deNemours & Company	\$ 34,200,000	1	8.45%	\$ -	-	-
Union Pacific Corporation	18,474,030	2	4.56%	-	-	-
Lincolnway Energy LLC	10,185,007	3	2.52%	-	-	-
Van Houweling Property LLC	6,148,170	4	1.52%	-	-	-
Heart of Iowa Coop	5,774,940	5	1.43%	5,660,030	1	1.40%
Vetter Equipment Company	5,107,600	6	1.26%	-	-	-
Burke Marketing Corporation	4,843,350	7	1.20%	2,579,400	2	0.64%
Iowa Falls Nursing Corp	4,179,848	8	1.03%	1,305,520	8	0.32%
Nevada IA Assisted Living	3,280,950	9	0.81%	-	-	-
GWC Real Estate LLC	3,225,089	10	0.80%	-	-	-
Flexi-Coil Inc-Ctr	-	-	-	2,295,939	3	0.57%
Hubert Family Trust	-	-	-	1,508,600	4	0.37%
Fareway Stores, Inc.	-	-	-	1,372,645	5	0.34%
Meadows Apartment Ltd.	-	-	-	1,349,543	6	0.33%
Northridge Investments LLC	-	-	-	1,318,303	7	0.33%
Flummerfelt's Country Club Estates	-	-	-	1,104,343	9	0.27%
Total	\$ 95,418,984		23.57%	\$ 18,494,323		4.57%

Source: Story County Auditor

NEVADA COMMUNITY SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of the Levy		Amount	Percentage of the Levy
2006	\$ 4,433,104	\$ 4,457,388	100.55%	\$ -	4,457,388	100.55%
2007	4,456,193	4,505,212	101.10%	198	4,505,410	101.10%
2008	4,541,972	4,538,358	99.92%	3,614	4,541,972	100.00%
2009	4,338,131	4,370,394	100.74%	7,768	4,378,162	100.92%
2010	4,631,954	4,659,939	100.60%	-	4,659,939	100.60%
2011	5,184,295	5,067,736	97.75%	561	5,068,297	97.76%
2012	4,847,252	4,843,492	99.92%	1,212	4,844,704	99.95%
2013	5,311,216	5,339,964	100.54%	853	5,340,817	100.56%
2014	5,673,313	5,705,454	100.57%	757	5,706,210	100.58%
2015	5,942,559	5,936,524	99.90%	1,043	5,937,567	99.92%

Source: Story County Treasurer and District records.

NEVADA COMMUNITY SCHOOL DISTRICT

OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	General Obligation Bonds	Revenue Bonds	Capital Leases	Capital Loan Notes	Early Retirement	Compensated Absences	Net Pension Liability (b)
2006	4,870,000	6,000,000	91,489	85,000	43,864	-	-
2007	4,450,000	5,335,000	218,989	-	16,181	-	-
2008	4,100,000	4,650,000	220,381	-	15,241	-	-
2009	3,865,000	3,940,000	222,701	-	114,641	66,978	-
2010	3,620,000	14,310,000	173,905	-	7,320	49,932	-
2011	3,360,000	13,550,000	140,720	-	98,643	30,581	-
2012	3,090,000	11,100,000	25,900	-	77,912	3,685	-
2013	8,885,000	10,465,000	-	-	105,998	17,231	-
2014	8,330,000	9,815,000	-	-	116,354	31,932	-
2015	7,755,000	9,345,000	-	-	126,702	36,163	5,807,351

Source: School District financial records.

Notes: Details of the District's outstanding debt can be found in Note 8 in the notes to the financial statements.

(a) See Demographic and Economic Statistics Schedule for personal income and population data. These ratios are calculated using personal income and population for the prior year calendar year.

(b) During fiscal year 2015 the District implemented GASB 68 Accounting and Financial Reporting for Pensions.

Net OPEB Liability	Business Type Activities		Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
	Net Pension Liability (b)	Net OPEB Liability			
-	-	-	11,090,353	0.43%	\$ 138
-	-	-	10,020,170	0.37%	125
-	-	-	8,985,622	0.31%	113
34,147	-	206	8,243,673	0.27%	98
51,477	-	305	18,212,939	0.59%	215
85,061	-	362	17,265,367	0.55%	199
122,059	-	-	14,419,556	0.43%	162
159,386	-	-	19,632,615	0.48%	219
197,234	-	-	18,490,520	0.48%	206
270,856	184,945	-	23,526,017	0.66%	250

NEVADA COMMUNITY SCHOOL DISTRICT

RATIO OF NET BONDED DEBT TO ASSESSED VALUES
Last Ten Fiscal Years
(Unaudited)

<u>Year of Collection</u>	<u>Population (a)</u>	<u>Assessed Property Value</u>	<u>Legal Debt Limit</u>	<u>Bonded Debt</u>	<u>Ratio of Bonded Debt to Assessed Value</u>	<u>Bonded Debt per Capita</u>
2005-06	79,787	\$ 387,768,322	\$ 21,761,450	\$ 10,870,000	2.80%	136.24
2006-07	83,804	410,697,716	23,021,473	9,875,000	2.40%	117.83
2007-08	84,752	418,513,180	24,064,336	8,750,000	2.09%	103.24
2008-09	86,754	449,511,141	26,020,293	7,805,000	1.74%	89.97
2009-10	89,285	469,528,883	25,881,662	17,930,000	3.82%	200.82
2010-11	89,575	491,375,759	24,568,779	16,910,000	3.44%	188.78
2011-12	89,663	567,252,037	28,362,602	14,190,000	2.50%	158.26
2012-13	91,140	621,638,661	31,081,933	19,350,000	3.11%	212.31
2013-14	92,406	636,120,460	31,806,023	18,145,000	2.86%	196.36
2014-15	94,073	586,640,892	29,332,045	17,100,000	2.91%	181.77

Source: School District financial records.

Notes: Assessed Property Value is total of Residential, Commercial, and Other Property Value on
Statistical Schedule for Assessed Value and Actual Value of Taxable Property.

(a) U S Census Web Site

NEVADA COMMUNITY SCHOOL DISTRICT

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2015

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Direct and Overlapping Debt
Story County	\$ 5,581,002	10.25%	\$ 572,277
City of Nevada	17,934,518	100.00%	17,934,518
Area XI Community College	62,785,000	1.10%	<u>689,652</u>
Subtotal, overlapping debt			19,196,447
District direct debt			<u>23,341,072</u>
Total direct and overlapping debt			<u>\$ 42,537,519</u>

Source: Taxable value data used to estimate applicable percentages provided by the County Auditor.
Debt outstanding data provided by each governmental unit.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the district. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the district. This process recognizes that, when considering the district's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(a) The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

NEVADA COMMUNITY SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

(Unaudited)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt limit	\$ 21,761,450	\$ 23,021,473	\$ 24,064,336	\$ 26,020,293
Total net debt applicable to limit	<u>85,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	\$ <u>21,676,450</u>	\$ <u>23,021,473</u>	\$ <u>24,064,336</u>	\$ <u>26,020,293</u>
Total net debt applicable to the limit as a percentage of debt limit	0.39%	0.00%	0.00%	0.00%

Source: School District financial records and Story County Auditor.

Notes:

- (a) Actual assessed value includes Tax Increment Financing
- (b) Code of Iowa Section 296.1

Legal Debt Margin Calculation for Fiscal Year 2015

Actual assessed value (a)	\$ 586,640,892
Debt limit (5% of assessed value) (b)	\$ 29,332,045
Debt applicable to limit	<u>17,533,721</u>
Legal debt margin	<u><u>11,798,324</u></u>

	2010	2011	2012	2013	2014	2015
\$	25,881,662	\$ 24,568,779	\$ 28,362,602	\$ 31,081,933	\$ 31,806,023	\$ 29,332,045
	<u>18,103,905</u>	<u>17,050,720</u>	<u>14,419,556</u>	<u>19,632,615</u>	<u>18,490,520</u>	<u>17,533,721</u>
\$	<u><u>7,777,757</u></u>	<u><u>7,518,059</u></u>	<u><u>13,943,046</u></u>	<u><u>11,449,318</u></u>	<u><u>13,315,503</u></u>	<u><u>11,798,324</u></u>
	69.95%	69.40%	50.84%	63.16%	58.14%	59.78%

NEVADA COMMUNITY SCHOOL DISTRICT

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Sales Tax Revenue Bonds			
	Revenue	Debt Service		Coverage
		Principal	Interest	
2006	1,362,867	-	122,710	11.11
2007	1,545,767	665,000	200,053	1.79
2008	1,504,206	685,000	178,784	1.74
2009	1,549,800	710,000	155,045	1.79
2010	1,467,841	730,000	389,262	1.31
2011	1,470,798	760,000	622,580	1.06
2012	1,658,000	785,000	594,770	1.20
2013	1,683,338	635,000	507,575	1.47
2014	1,298,640	650,000	481,875	1.15
2015	1,466,392	470,000	459,475	1.58

Source: School District financial records.

Notes: Details regarding the District's outstanding debt can be found in Note 8 of the notes to the financial statements.

NEVADA COMMUNITY SCHOOL DISTRICT
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Calendar Years
 (Unaudited)

Calendar Year	Population (a)	Personal Income (b) (thousands of dollars)	Per Capita Personal Income	Unemployment Rate (c)
2005	79,787	2,553,304	32,002	3.30%
2006	83,804	2,728,284	32,556	3.50%
2007	84,752	2,895,000	33,942	3.70%
2008	86,754	3,052,147	35,400	5.70%
2009	89,285	3,106,000	34,790	4.80%
2010	89,575	3,143,000	35,087	5.30%
2011	89,663	3,356,023	37,429	4.50%
2012	91,140	4,061,918	44,568	4.60%
2013	92,406	3,820,886	41,349	3.80%
2014	94,073	3,573,861	37,990	3.70%

Notes:

The data provided is for Story County, Iowa

(a) U S Census Web Site

(b) Bureau of Economic Analysis Web Site

(c) Iowa Workforce Development Web Site

NEVADA COMMUNITY SCHOOL DISTRICT

PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago
(Unaudited)

Employer	2015			2006		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Story County	373	1	3.77%	373	1	3.77%
Burke Marketing	350	2	3.53%	360	2	3.64%
Nevada Community School District	235	3	2.37%	220	3	2.22%
Story County Medical Center	200	4	2.02%	200	4	2.02%
ALMACO	150	5	1.51%	95	6	0.96%
General Financial Supply	115	6	1.16%	125	5	1.26%
Mid-America Manufacturing	75	7	0.76%	75	7	0.76%
Paragon International	56	8	0.57%	56	8	0.57%
Printgraphics	55	9	0.56%	55	9	0.56%
City of Nevada	45	10	0.45%	44	10	0.44%
Total	<u>1,654</u>		<u>16.70%</u>	<u>1,603</u>		<u>16.19%</u>

Source: Nevada Economic Development Council web site

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NEVADA COMMUNITY SCHOOL DISTRICT

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
Last Ten Fiscal Years
(Unaudited)

	Full-Time Equivalent Employees as of June 30,				
	2006	2007	2008	2009	2010
Supervisory:					
Superintendent	1.0	1.0	1.0	1.0	1.0
Principals	3.0	3.0	3.0	3.0	3.0
Assistant principals	0.5	0.3	0.3	0.7	0.7
All other administrators	4.5	4.8	4.8	4.8	4.8
Total supervisory	9.0	9.1	9.1	9.5	9.5
Instruction:					
Teachers	110.7	101.9	111.4	105.6	105.7
Teachers' Aides	25.0	24.0	26.0	39.0	38.0
Other	1.5	1.5	0.5	0.0	0.0
Total instruction	137.2	127.4	137.9	144.6	143.7
Student services:					
Counselors	3.3	3.3	3.3	5.3	5.3
Nurses	2.0	2.0	2.1	2.1	2.1
Librarians	2.5	2.0	2.0	2.0	2.0
Total student services	7.8	7.3	7.4	9.4	9.4
Support and administration:					
Office/Clerical	6.5	10.5	9.7	9.7	9.5
Operative	12.0	12.0	15.0	11.0	26.0
Service	35.0	19.2	25.0	16.0	21.0
Other support	2.0	9.5	12.0	6.0	6.0
Total support and administration	55.5	51.2	61.7	42.7	62.5
Total	209.5	195.0	216.1	206.2	225.1

Source: District records

Full-Time Equivalent Employees as of June 30,					Percentage
2011	2012	2013	2014	2015	Change 2006-2015
1.0	1.0	1.0	1.0	1.0	0.0%
3.0	3.0	3.0	3.0	3.0	0.0%
0.7	0.7	0.7	1.2	2.5	400.0%
4.8	4.8	7.0	6.3	6.5	44.4%
9.5	9.5	11.7	11.5	13.0	44.4%
100.7	102.8	112.4	104.5	106.1	-4.2%
43.0	43.0	43.5	46.0	50.5	102.0%
8.0	0.0	0.0	0.0	0.0	-100.0%
151.7	145.8	155.9	150.5	156.6	14.1%
5.0	5.0	5.0	3.5	4.0	21.2%
2.0	2.0	2.0	2.0	2.0	0.0%
2.0	2.0	2.0	1.0	1.0	-60.0%
9.0	9.0	9.0	6.5	7.0	-10.3%
9.4	8.0	9.0	9.0	9.0	38.5%
22.0	25.0	19.0	19.0	19.0	58.3%
25.0	22.0	34.0	17.0	15.0	-57.1%
0.0	0.0	1.5	4.5	7.5	275.0%
56.4	55.0	63.5	49.5	50.5	-9.0%
<u>226.6</u>	<u>219.3</u>	<u>240.1</u>	<u>218.0</u>	<u>227.1</u>	8.4%

NEVADA COMMUNITY SCHOOL DISTRICT

OPERATING STATISTICS

Last Ten Fiscal Years

(Unaudited)

<u>Fiscal Year</u>	<u>Enrollment (1)</u>	<u>Operating Expenditures (2)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>
2006	1,417	12,299,474	8,680	0.89%
2007	1,404	13,168,422	9,379	8.06%
2008	1,505	14,331,141	9,522	1.53%
2009	1,485	14,261,855	9,604	0.86%
2010	1,470	14,144,431	9,622	0.19%
2011	1,481	14,134,506	9,544	(0.81)%
2012	1,461	14,619,994	10,007	4.85%
2013	1,482	15,622,108	10,541	5.34%
2014	1,533	15,928,251	10,390	(1.43)%
2015	1,551	17,280,894	11,142	7.23%

Source: School District financial records and Iowa Department of Education.

Notes:

- (1) Average daily membership
- (2) Operating expenditures are total governmental expenditures less debt service and capital projects

<u>Expenses</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil-Teacher Ratio</u>	<u>Percentage of Students Receiving Free or Reduced Priced Meals</u>
14,810,229	10,452	10.25%	105.60	13.42	21.9%
14,386,046	10,246	(1.96)%	101.90	13.78	26.0%
15,895,979	10,562	3.08%	113.45	13.27	27.0%
16,556,208	11,149	5.56%	112.90	13.15	24.0%
16,064,394	10,928	(1.98)%	105.70	13.91	24.0%
16,465,920	11,118	1.74%	100.70	14.71	32.0%
17,322,975	11,857	6.65%	102.80	14.21	35.0%
18,094,882	12,210	2.98%	112.40	13.19	35.0%
18,946,338	12,359	1.22%	104.50	14.67	36.0%
19,665,111	12,679	2.59%	106.10	14.62	36.0%

NEVADA COMMUNITY SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

Last Ten Fiscal Years

(Unaudited)

School	Fiscal Year			
	2006	2007	2008	2009
Elementary:				
Central (2006)				
Square feet	53,000	103,000	103,000	103,000
Capacity	400	800	800	800
Enrollment	298	595	595	595
North Central (2006)				
Square feet	12,000	12,000	12,000	12,000
Capacity	200	200	200	200
Enrollment	131	15	15	15
Middle:				
Nevada Middle School (1991)				
Square feet	73,000	73,000	73,000	73,000
Capacity	600	600	600	600
Enrollment	546	546	546	546
High:				
Nevada High School (1962 / 2011)				
Square feet	115,000	115,000	115,000	115,000
Capacity	750	750	750	750
Enrollment	676	676	676	676
Other District Facilities:				
Bus Garage (1988)				

Source: District Records

Notes: Due to construction, third and fourth grades were housed temporarily in the Middle School during fiscal year 2006. Multiage classes were housed at North Central Elementary.

Fiscal Year					
2010	2011	2012	2013	2014	2015
103,000	103,000	103,000	103,000	103,000	103,000
800	800	800	800	800	800
602	688	688	617	617	639
12,000	12,000	12,000	12,000	12,000	12,000
200	200	200	200	200	200
15	15	15	15	15	15
73,000	73,000	73,000	73,000	73,000	73,000
600	600	600	600	600	600
410	431	431	450	450	462
115,000	125,790	125,790	148,574	148,574	148,574
750	870	870	870	870	870
428	438	438	421	421	447

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Single Audit Section

NEVADA COMMUNITY SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2015

<u>Grantor / Program</u>	<u>CFDA Number</u>	<u>Pass-through Grantor Number</u>	<u>Expenditures</u>
Indirect:			
U. S. Department of Agriculture:			
Iowa Department of Education:			
Child Nutrition Cluster Programs:			
School Breakfast Program	10.553	4617-15	\$ 36,296
National School Lunch Program	10.555	4617-15	328,088 *
Special Milk Program for Children	10.556	4617-15	3,024
Summer Food Service Program for Children	10.559	4617-15	<u>16,723</u>
			<u>384,131</u>
U. S. Department of Education:			
Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	4617-SINA	10,439
Title I Grants to Local Educational Agencies	84.010	4617-G	186,778
Title I Grants to Local Educational Agencies	84.010	4617-GC	<u>17,419</u>
			<u>214,636</u>
Advanced Placement Program	84.330	4617-15	<u>39</u>
Improving Teacher Quality State Grants	84.367	4617-15	<u>39,371</u>
Grants for State Assessments and Related Activities	84.369	4617-15	<u>6,092</u>
Heartland Area Education Agency:			
Special Education - Grants to States	84.027	4617-15	<u>71,664</u>
English Language Acquisition State Grants	84.365	4617-15	<u>980</u>
Ames Community School District:			
Career and Technical Education - Basic Grants to States	84.048	4617-15	<u>11,911</u>
University of Northern Iowa:			
State Fiscal Stabilization Fund - Investing in Innovation Fund, Recovery Act	84.396	4617-15	<u>679</u>
Total			<u>\$ 729,503</u>

*Includes \$57,563 of non-cash awards

NEVADA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2015

Basis of Presentation –

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Nevada Community School District and is presented on the accrual or modified accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See accompanying independent auditor's report.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

To the Board of Education of
Nevada Community School District:

We have audited in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and Chapter 11 of the Code of Iowa, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Nevada Community School District as of and for the year ended June 30, 2015 and the related notes to financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 28, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Nevada Community School District's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Nevada Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Nevada Community School District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in Part II of the accompanying Schedule of Findings and Questioned Costs, we noted certain deficiencies that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over financial reporting exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in Part II of the accompanying Schedule of Findings and Questioned Costs as item II-A-15 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in Part II of the accompanying Schedule of Findings and Questioned Costs as items II-B-15 and II-C-15 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Nevada Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance which are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about Nevada Community School District's operations for the year ended June 30, 2015 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Nevada Community School District's Responses to the Findings

Nevada Community School District's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Nevada Community School District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Nevada Community School District during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Hunt + Associates, P.C.

Oskaloosa, Iowa
December 28, 2015

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Education of
Nevada Community School District:

Report on Compliance for the Major Federal Program

We have audited Nevada Community School District's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on its major federal program for the year ended June 30, 2015. Nevada Community School District's major federal program is identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grant agreements applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Nevada Community School District's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on major federal program occurred. An audit includes examining, on a test basis, evidence about Nevada Community School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Nevada Community School District's compliance.

Opinion on the Major Federal Program

In our opinion, Nevada Community School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2015.

Report on Internal Control Over Compliance

The management of Nevada Community School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Nevada Community School District's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Nevada Community School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Hunt + Associates, P.C.

Oskaloosa, Iowa
December 28, 2015

NEVADA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2015

Part I: Summary of the Independent Auditor's Results:

- (a) Unmodified opinions were issued on all opinion units.
- (b) A material weakness and significant deficiencies in internal control over financial reporting were reported.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over major programs were reported.
- (e) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed no audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) The major program was as follows:
 - Clustered programs:
 - CFDA Number 10.553 – School Breakfast Program
 - CFDA Number 10.555 – National School Lunch Program
 - CFDA Number 10.556 – Special Milk Program for Children
 - CFDA Number 10.559 – Summer Food Service Program for Children
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Nevada Community School District did not qualify as a low-risk auditee.

NEVADA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2015

Part II: Findings Related to the Basic Financial Statements:

Instances of Non-Compliance:

No matters were reported.

Internal Control Deficiencies:

II-A-15 Financial Reporting – During the audit, we identified material amounts of proprietary School Nutrition Fund receivables not recorded in the District’s financial statements or the certified annual report. Adjustments were subsequently made by the District to properly include these amounts in the financial statements.

Recommendation – The District should implement procedures to ensure all receivables are identified and properly recorded in the District’s financial statements so that the financial statements are free of material misstatements.

Response – We will double check these in the future to avoid missing any receivables.

Conclusion – Response accepted.

II-B-15 Fundraisers – We noted in our testing of Special Revenue, Student Activity Fund fundraisers that no fundraiser reconciliations are prepared by the activity sponsors.

Recommendation – The District should adopt and enforce a policy which requires a fundraiser reconciliation to be completed by sponsors for all fundraisers. This reconciliation should tie total sales receipts to the related bank deposits and reconcile receipts to the related invoices. This would help to determine if the fundraiser met the expected profit margin and to ensure all sales money has been collected and deposited.

Response – We will consider implementing these recommended fundraiser procedures.

Conclusion – Response accepted.

II-C-15 Netting of Revenues to Expenditures – We noted revenues that were posted against expenditure accounts in the General and Capital Projects Funds totaling \$87,596. Adjustments were subsequently made by the District to correct most of these amounts in the financial statements.

Recommendation – This practice understates both revenues and expenditures and bypasses the budget. The District should avoid netting revenues against expenditure accounts.

Response – We will properly record all revenues in the future.

Conclusion – Response accepted.

NEVADA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2015

Part III: Findings and Questioned Costs for Federal Awards

Instances of Non-Compliance:

No matters were reported.

Internal Control Deficiencies:

No matters were reported.

NEVADA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2015

Part IV: Other Findings Related to Required Statutory Reporting:

IV-A-15 Certified Budget – District expenditures/expenses for the year ended June 30, 2015 exceeded the certified amount in the instruction, support services, non-instructional programs and other expenditures functions. In addition, expenditures/expense in the non-instructional programs function exceeded the certified amount prior to the amendment of the budget.

Recommendation – The certified budget should have been amended in accordance with Chapter 24.9 of the Code of Iowa before expenditures/expenses were allowed to exceed the budget.

Response – We will more carefully monitor expenses and modify the budget where appropriate in the future.

Conclusion – Response accepted.

IV-B-15 Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.

IV-C-15 Travel Expense – No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

IV-D-15 Business Transactions – No business transactions between the District and District officials were noted.

IV-E-15 Bond Coverage – Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.

IV-F-15 Board Minutes – No transactions requiring Board approval which had not been approved by the Board were noted.

IV-G-15 Certified Enrollment – We noted that the LEP weighting reported to the Iowa Department of Education on line 13 of the Certified Enrollment Certification Form for September 2014 was overstated by 0.22 due to the improper inclusion of one student as an English language learner (ELL).

Recommendation – The District should contact the Iowa Department of Education and the Iowa Department of Management to resolve this matter.

Response – We will contract the Iowa Department of Education and Iowa Department of Management.

Conclusion – Response accepted.

IV-H-15 Supplementary Weighting – No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.

IV-I-15 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District’s investment policy were noted.

NEVADA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2015

Part IV: Other Findings Related to Required Statutory Reporting (continued):

- IV-J-15 Certified Annual Report –The Certified Annual Report was certified timely to the Iowa Department of Education and except as noted in comment II-A-15 there were no deficiencies in the amounts reported.
- IV-K-15 Categorical Funding – No instances were noted of categorical funding being used to supplant rather than supplement other funds. However, we noted that the home school assistance program open enrollment out expenditures of \$38,562 in fiscal year 2015 and \$25,204 in fiscal year 2014, for a total of \$63,766, were miscoded in the accounting system as project 0000 instead of project 1113.

Recommendation – All home school assistance program expenditures should be coded to the proper account in the future. The District should contact the Iowa Department of Education to adjust their home school assistance program categorical balance for this correction.

Response – We will make sure future home school assistance program payments are coded to the correct account. We have contacted the Iowa Department of Education to correct our categorical balance.

Conclusion – Response accepted.

- IV-L-15 Statewide Sales, Services and Use Tax – No instances of non-compliance with the allowable use of the statewide sales, services and use tax revenue provided in Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2015, the District reported the following information regarding the statewide sales, services and use tax revenue in the District’s CAR:

Beginning balance		\$	1,892,871
Revenues:			
Contributions	\$	49,475	
Statewide sales, services and use tax		1,466,392	1,515,867
Expenditures/transfers out:			
School infrastructure construction		18,986	
Equipment		362,135	
Transfers to other funds:			
Debt Service Fund		868,002	1,249,123
Ending balance		\$	2,159,615

For the year ended June 30, 2015, the District did not reduce any levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

NEVADA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2015

Part IV: Other Findings Related to Required Statutory Reporting (continued):

IV-M-15 Financial Condition – At June 30, 2015, the governmental activities, business-type activities, and the Enterprise, School Nutrition Fund had deficit unrestricted net positions of \$4,948,186, \$339,948, and \$339,948, respectively. The implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27, which requires the inclusion of the District’s proportionate share of the IPERS pension liability and the related deferred outflows of resources and deferred inflows of resources in the District’s financial statements, caused the deficit in the governmental activities and exacerbated the deficit in the business-type activities and the School Nutrition Fund.

Recommendation – Even though the deficits arose mostly due to the net pension liability and deferred outflows and inflows of resources, the District should investigate ways to return the governmental activities, business-type activities and the School Nutrition Fund to sound financial conditions.

Response – We are unsure of what steps can be taken at this time to alleviate the strain of the District’s proportionate share of the IPERS pension liability and the related deferred outflows and inflows of resources since actions related to this area are controlled by the Iowa Legislature. However, we will look into this situation and investigate ways to return the governmental activities, business-type activities, and the School Nutrition Fund to sound financial conditions.

Conclusion – Response accepted.

IV-N-15 Entrepreneurial Education Fund – During the fiscal year ended June 30, 2015, the District started a new entrepreneurial education fund. However, the transactions involved do not appear to be entrepreneurial activities or for an entrepreneurial purpose as defined in Chapter 298A.15 of the Code of Iowa.

Recommendation – The District should close this fund and transfer the remaining balance to the Special Revenue, Student Activity Fund. The District’s financial statements have already been adjusted to reflect this correction.

Response – We will close this fund in our general ledger and transfer the remaining balance to the Student Activity Fund.

Conclusion – Response accepted.